

Appendix A

PART 195**ENVIRONMENTAL PROTECTION BOND IMPLEMENTATION****324.19501 Definitions.**

Sec. 19501. As used in this part:

- (a) "Bonds" means the bonds issued under part 193 or former Act No. 326 of the Public Acts of 1988.
- (b) "Fund" means the environmental protection bond fund created in section 19506.
- (c) "Local unit of government" means a county, city, village, or township, or an agency of a county, city, village, or township; an authority or any other public body created by or pursuant to state law; or this state or an agency or department of this state.
- (d) "Private entity" means an individual, trust, firm, partnership, corporation, or association, whether profit or nonprofit, that is not a local unit of government.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19502 Legislative finding and declaration.

Sec. 19502. The legislature finds and declares that the environmental protection programs implemented under former Act No. 328 of the Public Acts of 1988 or this part are a public purpose and of paramount public concern in the interest of the health, safety, and general welfare of the citizens of this state.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19503 Bonds; requirements generally.

Sec. 19503. (1) The bonds issued under former Act No. 326 of the Public Acts of 1988 or part 193 shall be issued in 1 or more series, each series to be in a principal amount, to be dated, to have the maturities which may be either serial, term, or term and serial, to bear interest at a rate or rates, to be subject or not subject to prior redemption, and if subject to prior redemption with or without call premiums, to be payable at a place or places, to have or not have provisions for registration as to principal only or as to both principal and interest, to be in a form and to be executed in a manner as shall be determined by resolution to be adopted by the state administrative board and subject to or granting those covenants, directions, restrictions, or rights specified by resolution to be adopted by the state administrative board as necessary to insure the marketability, insurability, or tax exempt status. The state administrative board shall rotate the services of legal counsel when issuing bonds.

(2) The state administrative board may refund bonds issued under this part by the issuance of new bonds, whether or not the bonds to be refunded have matured or are subject to prior redemption. The state administrative board may issue bonds partly to refund bonds issued under this part and partly for any other purpose provided by this part. The principal amount of any refunding bonds issued pursuant to this section shall not be counted against the limitation on principal amount imposed by the vote of the people on November 8, 1988. Further, refunding bonds issued pursuant to this section shall not be subject to the restrictions of section 19507.

(3) The state administrative board may authorize and approve insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase bonds, and any other transaction to provide security to assure timely payment or purchase of any bond issued under this part.

(4) The state administrative board may authorize the state treasurer, but only within limitations that are contained in the authorizing resolution of the board, to do 1 or more of the following:

- (a) Sell and deliver and receive payment for the bonds.
- (b) Deliver bonds partly to refund bonds and partly for other authorized purposes.
- (c) Select which outstanding bonds will be refunded, if any, by the new issue of bonds.
- (d) Buy bonds so issued at not more than their face value.
- (e) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, purchase prices, purchase dates, remarketing dates, denominations, dates of issuance, interest payment dates, redemption rights at the option of the state or the owner, the place and time of delivery and payment, and other matters and procedures necessary to complete the authorized transactions.
- (f) Execute, deliver, and pay the cost of remarketing agreements, insurance contracts, agreements for lines of credit, letters of credit, commitments to purchase bonds or notes, and any other transaction to provide security to assure timely payments or purchase of any bond issued under this part.

(5) The bonds shall be approved by the department of treasury before their issuance but are not otherwise subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws.

(6) The bonds or any series of the bonds shall be sold at such price and at a publicly advertised sale or a competitively negotiated sale as determined by the state administrative board. If bonds are issued at a competitively negotiated sale, the state administrative board shall use its best efforts to include firms based in this state in the sale of the bonds.

(7) Except as provided in subsection (8), the bonds shall be sold in accordance with the following schedule, beginning during the first year after December 1, 1988:

- (a) Not more than 34% shall be sold during the first year.
- (b) Not more than 33% shall be sold during the second year.
- (c) Not more than 33% shall be sold during the third year.
- (d) After the third year, any remaining bonds may be sold at the discretion of the state administrative board.

(8) The state administrative board may alter the schedule for issuance of the bonds provided in subsection (7) if either or both of the following occur:

- (a) Amendments to the internal revenue code of 1986 would impair the tax-exempt status of the bonds.
- (b) The legislature concurs in the declaration of a toxic substance emergency made by the governor pursuant to law.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995;—Am. 1995, Act 73, Imd. Eff. June 6, 1995.

324.19504 Bonds negotiable; tax exemption.

Sec. 19504. Bonds issued under former Act No. 326 of the Public Acts of 1988 or part 193 shall be fully negotiable under the uniform commercial code, Act No. 174 of the Public Acts of 1962, being sections 440.1101 to 440.11102 of the Michigan Compiled Laws. The bonds and the interest on the bonds shall be exempt from all taxation by the state or any political subdivisions of the state.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19505 Bonds as securities.

Sec. 19505. Bonds issued under former Act No. 326 of the Public Acts of 1988 or part 193 are made securities in which banks, savings and loan associations, investment companies, credit unions, and other persons carrying on a banking business; all insurance companies, insurance associations, and other persons carrying on an insurance business; and all administrators, executors, guardians, trustees, and other fiduciaries may properly and legally invest funds, including capital, belonging to them or within their control.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19506 Environmental protection bond fund; creation; composition; restricted subaccounts.

Sec. 19506. (1) The environmental protection bond fund is created in the state treasury.

(2) The fund shall consist of all of the following:

(a) The proceeds of sales of general obligation bonds issued pursuant to former Act No. 326 of the Public Acts of 1988 or part 193 and any premium and accrued interest received on the delivery of the bonds.

(b) Any interest or earnings generated by the proceeds described in subdivision (a).

(c) Any repayment of principal and interest made under a loan program authorized in this part.

(d) Any federal funds received.

(3) The department of treasury may establish restricted subaccounts within the fund as necessary to administer the fund.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19507 Disposition and allocation of bond proceeds; investment of fund; allocation and disposition of interest and earnings; transfer of repayments of principal and interest; disposition of unencumbered balance.

Sec. 19507. (1) The total proceeds of all bonds issued under former Act No. 326 of the Public Acts of 1988 or part 193 shall be deposited into the fund and allocated as follows:

(a) Except as provided in section 19508(1)(a)(ii) and as otherwise provided in this act, not more than \$425,000,000.00 shall be used to clean up sites of toxic and other environmental contamination.

(b) Not more than \$150,000,000.00 shall be used for solid waste projects including, but not limited to, reducing, recycling, and properly disposing of solid waste. Money that is available under this subdivision but not appropriated and money that is appropriated under this subdivision that reverts to the fund shall be transferred to the cleanup and redevelopment fund created in section 20108. *RIS Fund*

(c) Not more than \$60,000,000.00 shall be used to capitalize the state water pollution control revolving fund established pursuant to section 16a of the shared credit rating act, Act No. 227 of the Public Acts of 1985, being section 141.1066a of the Michigan Compiled Laws.

(d) Not more than \$25,000,000.00 shall be used to fund this state's participation in a regional Great Lakes protection fund.

(2) The state treasurer shall direct the investment of the fund. Except as otherwise may be required by the resolution authorizing the issuance of the bonds in order to maintain the exclusion from gross income of the interest paid on the bonds or to comply with state or federal law, interest and earnings from investment of the proceeds of any bond issue shall be transferred to the cleanup and redevelopment fund created in section 20108; except for the fiscal years 1992-93 and 1993-94, when any such interest and earnings accrued in those, or prior fiscal years, shall be deposited in the state water pollution control revolving fund established pursuant to section 16a of Act No. 227 of the Public Acts of 1985.

(3) Except as otherwise may be required by the resolution authorizing the issuance of the bonds in order to maintain the exclusion from gross income of the interest paid on the bonds or to comply with state or federal law, all repayments of principal and interest earned under a loan program created with money under subsection (1)(b) shall be transferred to the cleanup and redevelopment fund created in section 20108.

(4) The unencumbered balance in the fund at the close of the fiscal year shall remain in the fund and shall not revert to the general fund.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995;—Am. 1996, Act 380, Imd. Eff. July 24, 1996.

324.19508 Use of money in fund allocated under § 324.19507; expenditures; recovery and retention of funds by eligible community; contents and submission of list of projects; appropriations; prioritizing and approving projects; report; "eligible community" defined.

Sec. 19508. (1) Except as provided in subsection (3), money in the fund that is allocated under section 19507 shall be used for the following purposes:

(a) Money in the fund that is allocated under section 19507(1)(a) shall be used for sites identified through part 201, to be expended and recovered by the state in the same manner as provided in that part. Of the funds allocated under section 19507(1)(a), the following apply:

(i) Not more than \$35,000,000.00 shall be used to clean up sites of environmental contamination that have been identified under former Act No. 307 of the Public Acts of 1982 or part 201; that will not be funded in the next fiscal year; and that have been approved by the department as having measurable economic benefit. The department, after consultation with the department of commerce, shall promulgate rules that establish the criteria and process by which sites will be selected and determined to qualify as sites having measurable economic benefit.

(ii) Not more than \$10,000,000.00 may be used to provide grants to eligible communities to investigate and determine whether property within an eligible community is a site of environmental contamination and, if so, to characterize the nature and extent of the contamination. A grant shall only be issued under this subparagraph if all of the following conditions are met:

(A) The characterization of the nature and extent of contamination includes an estimate of response activity costs in relation to the value of the property in an uncontaminated state and identifies future potential limitations on the use of the property based upon current environmental conditions.

(B) The property has demonstrable economic development potential. This provision does not require a specific development proposal to be identified.

(C) The property is located within an eligible community that has received less than \$1,000,000.00 in total grants under this subparagraph. However, a grant that has resulted in measurable economic benefits shall not be included in the calculation of the \$1,000,000.00.

(b) Money in the fund that is allocated for solid waste projects including, but not limited to, reducing, recycling, and properly disposing of solid waste shall be used to fund state projects, to provide grants and loans to local units of government, and to provide grants and loans to private entities for any of the programs identified in part 191, in the amounts appropriated pursuant to subsection (5). Not less than \$17,500,000.00 of the money for solid waste projects shall be used to fund the following:

(i) To promote and expand markets for recycled materials.

(ii) To assist in the recycling of solid wastes, including, but not limited to, plastics, metals, tires, wood, and paper.

(iii) To promote research on resource recovery.

(iv) To study marketing options for products that use recycled materials.

(c) Money in the fund that is allocated to capitalize the state water pollution control revolving fund created in section 16a of the shared credit rating act, Act No. 227 of the Public Acts of 1985, being section 141.1066a of the Michigan Compiled Laws, shall be used as provided in part 53.

(d) Money in the fund that is allocated to fund this state's participation in a regional Great Lakes protection fund pursuant to part 331.

(2) If, by June 28, 1995, the department determines that money allocated under subsection (1)(a)(ii) is unlikely to be expended pursuant to that subparagraph, \$5,000,000.00 of the money allocated pursuant to that subparagraph shall be expended pursuant to subsection (1)(a)(i).

(3) If money that is expended pursuant to subsection (1)(a)(ii) is recovered by an eligible community from a person who may be liable under part 201, through proceeds from the sale of the property, or through any other mechanism, and additional funds for environmental response activities on the property are not necessary, the eligible community may retain those funds for expenditure on projects that the department determines are eligible to receive funding under subsection (1)(a)(ii). An accounting of the recovered funds must be provided to the department within 30 days of receipt, and approval and expenditure of the recovered funds shall be in the same manner as funds awarded pursuant to subsection (1)(a)(ii). If funds are recovered and not spent on other projects pursuant to this subparagraph within 2 years after they are recovered by the eligible community, the eligible community shall forward the money collected to the state treasurer for deposit into the fund to be used pursuant to subsection (1)(a)(ii). When accounting for the use of recovered funds, eligible communities may itemize deductions for site preparation and other costs directly related to the reuse of a site funded under this section.

(4) Money provided in the fund may be used by the department of treasury to pay for the cost of issuing bonds under former Act No. 326 of the Public Acts of 1988 or part 193 and by the department to pay department costs as provided in this subsection. Not more than 6% of the total amount specified in section 19507(1)(a), (b), and (d) shall be available for appropriation to the department to pay department costs directly associated with the completion of a project described in section 19507(1)(a), (b), or (d), for which bonds are issued as provided under this part. Any department costs associated with a project described in section 19507(1)(c) for which bonds are issued under this part shall be paid as provided in the state statute implementing the state water pollution control revolving fund. Bond proceeds shall not be available to pay indirect, administrative overhead costs incurred by any organizational unit of the department not directly responsible for the completion of a project. It is the intent of the legislature that general fund appropriations to the department shall not be reduced as a result of department costs funded pursuant to this subsection.

(5) Except as provided in subsection (3), the department shall annually submit a list of all projects that are recommended to be funded under this part to the governor, the standing committees of the house of representatives and the senate that primarily address issues pertaining to the protection of natural resources and the environment, and the appropriations committees in the house of representatives and the senate. This list shall be submitted to the legislature not later than February 15 of each year. This list shall also be submitted before any request for supplemental appropriation of bond funds. The list shall include the name, address, and telephone number of the eligible recipient or participant; the nature of the eligible project; the county in which the eligible project is located; an estimate of the total cost of the eligible project; and other information considered pertinent by the department.

(6) The legislature shall appropriate prospective or actual bond proceeds for projects proposed to be funded. Appropriations shall be carried over to succeeding fiscal years until the project for which the funds are appropriated is completed. Environmental cleanup projects that are eligible for funding under subsection (1)(a), but not including subsection (1)(a)(i) and (ii), shall be prioritized and approved pursuant to the procedures outlined in part 201. Projects to which loans are provided from the state water pollution control revolving fund shall be approved pursuant to state law implementing that fund. The capitalization of the regional Great Lakes protection fund shall be a 1-time appropriation.

(7) Not later than December 31 of each year, the department shall submit a list of the projects financed under this part to the governor, the standing committees of the house of representatives and the senate that primarily address issues pertaining to the protection of natural resources and the environment, and the committees of the house of representatives and the senate on appropriations for the department. The list shall include the name, address, and telephone number of the recipient or participant; the nature of the project; the amount of money received; the county in which the project is located; and other information considered pertinent by the department.

(8) As used in this section, "eligible community" means any of the following:

(a) A city, village, or township, or a county on behalf of a city, village, or township, that on May 1, 1993 meets the applicable criteria of section 2(d)(i) or (ii) of the neighborhood enterprise zone act, Act No. 147 of the Public Acts of 1992, being section 207.772 of the Michigan Compiled Laws.

(b) A city that meets any of the following descriptions:

(i) Has a population of greater than 10,000 and is located within a county that has a population density of less than 39 residents per square mile.

(ii) Has a population of greater than 2,500 and is located within a county that has a population density of less than 39 residents per square mile.

(iii) Had an average unemployment rate of 11.5% or more during the most recent calendar year for which data is available from the Michigan employment security commission and meets the criteria of section 2(d)(i)(A), (D), and (E) of Act No. 147 of the Public Acts of 1992.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19509 Grant and loan programs; rules; maximum participation; considerations in making grant a loan; interest; applicability.

Sec. 19509. (1) The department shall promulgate rules necessary to implement grant and loan programs provided in this part.

(2) The department shall assure maximum participation by local units of government and by private entities by promulgating rules that provide for a grant or loan program, where appropriate. In determining whether a grant or a loan program is appropriate, the department shall consider whether the project is likely to be undertaken without state assistance; the availability of state funds from other sources; the degree of private sector participation in the type of project under consideration; the extent of the need for the project as a demonstration project; and such other factors considered important by the department.

(3) Prior to making a grant or loan authorized by this part, the department shall consider the extent to which the making of the grant or loan contributes to the achievement of a balanced distribution of grants and loans throughout the state.

(4) The department shall provide in rules promulgated under this part that loans, where authorized, that are issued by the department to private entities shall include an interest charge of not less than 5% per year.

(5) Neither this section nor section 19510 shall apply to loans from the state water pollution control revolving fund.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19510 Application for grant or loan; form; contents.

Sec. 19510. An application for a grant or a loan authorized under this part shall be made on a form prescribed by the department. The department may require the applicant to provide any information reasonably necessary to allow the department to make a determination required by this part.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19511 Conditions to making grant or loan.

Sec. 19511. The department shall not make a grant or a loan under section 19508(1)(a) or (b) unless all of the following conditions are met:

(a) The applicant demonstrates that the proposed project is in compliance with all applicable state laws and rules, or the proposed project will result in compliance with state laws and rules.

(b) The applicant demonstrates to the department the capability to carry out the proposed project.

(c) The applicant provides the department with evidence that a licensed professional engineer has approved the plans and specifications for the project, if appropriate.

(d) The applicant demonstrates to the department that there is an identifiable source of funds for the future maintenance and operation of the proposed project.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19512 Recipient of grant or loan; conditions; noncompliance; recovery of grant; withholding grant or loan.

Sec. 19512. (1) A recipient of a grant or a loan made under section 19508(1)(a) or (b) shall be subject to all of the following:

(a) A recipient shall keep an accounting of the money spent on the project or facility in a generally accepted manner. The accounting shall be subject to a postaudit.

(b) A recipient shall obtain authorization from the department before implementing a change that significantly alters the proposed project or facility.

(2) The department may revoke a grant or a loan made by it under this part or withhold payment if the recipient fails to comply with the terms and conditions of the grant or loan or with the requirements of this part or the rules promulgated under this part.

(3) The department may recover a grant if the project for which the grant was made never operates.

(4) The department may withhold a grant or a loan until the department determines that the recipient is able to proceed with the proposed project or facility.

(5) To assure timely completion of a project, the department may withhold 10% of the grant or loan amount until the project is complete.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

324.19513 Rules generally.

Sec. 19513. The department shall promulgate rules as are necessary or required to implement this part.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

Appendix B

**Solid Waste Alternatives Program
Administrative Rules**

Effective Date: July 12, 1989

DEPARTMENT OF NATURAL RESOURCES
WASTE MANAGEMENT DIVISION
SOLID WASTE ALTERNATIVES PROGRAM

(By authority conferred on the commission of natural resources, department of natural resources, by section 9 of Act No. 328 of the Public Acts of 1988, being S299.679 of the Michigan Compiled Laws)

PART 1. GENERAL PROVISIONS

R 299.12101 Definitions.

Rule 101. (1) As used in these rules:

(a) "Act 249" means Act No. 249 of the Public Acts of 1986, as amended, being S299.371 et seq. of the Michigan Compiled Laws, and known as the clean Michigan fund act.

(b) "Act 328" means Act No. 328 of the Public Acts of 1988, being S291.671 et seq. of the Michigan Compiled Laws, and known as the environmental protection bond implementation act.

(c) "Act 641" means Act No. 641 of the Public Acts of 1978, as amended, being S299.401 et seq. of the Michigan Compiled Laws, and known as the solid waste management act.

(d) "Advisory panel" means the 11-member advisory panel established in section 20 of act 249.

(e) "Approved solid waste management plan" means a solid waste management plan that is submitted and approved by the department pursuant to sections 25 to 30 of act 641 and R 299.4701 to R 299.4711. As of July 31, 1990, "approved solid waste management plan" means a solid waste management plan update that is submitted and approved by the department pursuant to sections 25 to 30 of act 641 and R 299.4701 to R 299.4711.

(f) "Clean Michigan community" means a project that incorporates recycling or recycling and composting into a communitywide demonstration project that will be a model to other communities.

(g) "Closure" means placing final cover on a landfill or dump to meet the requirements of R 299.4305(9) and (10) and installing 4 monitoring wells at a municipal landfill or dump.

(h) "Closure plan" means a document which is approved by the department and which describes how the owners or operators of a landfill or dump will achieve closure.

(i) "Composting project" means a project in which yard waste, which includes leaves, grass clippings, garden debris, tree prunings, and brush, and which may include vegetable food waste, is converted into humus through natural biological processes or is diverted from open burning, landfilling, or solid waste incineration by other processes.

(j) "Disposal area" means disposal area as defined in act 641.

(k) "Grant or loan budget" means the eligible expenditures, identified in the application, to be paid by the state as the grant or loan and by the applicant as the match.

(l) "Household hazardous waste" means household waste that would meet the definition of hazardous waste in the provisions of R 299.9202 to R 299.9204 if not specifically exempted by those rules and also means used motor oil from residential do-it-yourself oil changes.

(m) "Market development" means a project which utilizes proven technologies to increase the processing or utilization of waste otherwise bound for landfills or solid waste incineration in the manufacturing of products or a project that increases the utilization of scrap tires in the manufacturing of products or for energy recovery.

(n) "Market development research and demonstration project" means a research and demonstration project that develops methodologies to increase the processing or utilization of waste otherwise bound for landfills or solid waste incineration in the manufacturing of products.

(o) "Marketing project" means a project to market or determine the marketability of products manufactured from a minimum of 50% waste materials that would otherwise be bound for landfills or solid waste incineration, a project to market or to determine the marketability of a product manufactured from scrap tires, or a project to market or determine the marketability of using scrap tires for energy recovery.

(p) "Match" means the amount of the grant or loan budget which is to be paid by the applicant and which is based on predetermined percentages set forth for a specific type of grant or loan pursuant to the provisions of R 299.12205.

(q) "Monitor well installation plan" means a document which is approved by the department and which describes how groundwater monitoring wells will be located and installed.

(r) "Recycling project" means a project in which material that would otherwise become solid waste is collected, separated, or processed into usable raw materials or products.

(s) "Refuse-derived fuel" means the fuel which is extracted from mixed solid waste and which is to be used for combustion processes.

(t) "Resource conservation and recovery act" means the solid waste disposal act of 1976, as amended, 42 U.S.C. S6901 et seq.

(u) "Resource recovery" means the collecting and processing of solid waste so as to produce materials or energy that may be used in manufacturing, agriculture, heat or electricity production, or other production processes or purposes designed to reuse materials or products or reduce waste at the source.

(v) "Solid waste" means solid waste as defined in act 641.

(w) "Solid waste transfer station" means a solid waste transfer facility as defined in act 641.

(x) "Unlicensed" means a facility that was not issued an operating license pursuant to the provisions of act 641 or was not issued a renewal of an operating license pursuant to the provisions of act 641 by the director of the department after December 1, 1986.

(y) "Waste reduction research and demonstration project" means a research and demonstration project that results in the generation of less solid waste at the source before entering the waste stream.

(z) "Waste-to-energy project" means a project that is designed to recover energy through the combustion of solid waste or tires.

(2) A term defined in act 328 has the same meaning when used in these rules.

PART 2. ELIGIBILITY

R299.12201 Certification of project compliance with law and rules.

Rule 201. An applicant for a grant or a loan shall certify that the proposed project is or will be in compliance with all applicable state laws and rules.

R 299.12202 Applicant; eligible entities.

Rule 202. An applicant for a grant or a loan shall be a local unit of government or a private entity.

R 299.12203 Location of proposed projects; exception.

Rule 203. A proposed project, except for closures, shall be located in a Michigan county that has an approved solid waste management plan. Proposed closure projects shall be located in Michigan.

R 299.12204 Proposed projects; letters of consistency with county solid waste management plans.

Rule 204. (1) Proposed projects that involve transportation of solid waste from one county to another shall submit letters of consistency with county solid waste management plans from both the county or counties shipping the waste and the county or counties receiving the waste.

(2) Proposed projects, except for closures, waste reduction research and demonstration projects, market development research and demonstration projects, or marketing projects, shall be consistent with the approved county solid waste management plan for the county in which the project is located. Consistency shall be evidenced by a letter from the authorized solid waste planning agency.

R 299.12205 Applicant match.

Rule 205. (1) An applicant for a grant or a loan shall agree to provide the match for the grant or loan as required in this rule.

(2) Match for grants is as follows:

(a) Composting and recycling match is 25%.

(b) Household hazardous waste center match is 25%.

(c) Closure match is 10%.

(d) Transfer station match is 25%.

(e) Resource recovery education match is 25%.

(f) Market development project match is 25%.

- (g) Market development research and demonstration project match is 15%.
- (h) Marketing project match is 50%, except that for a project for the marketing of compost, the match is 25%.
- (i) Waste reduction research and demonstration project match is 15%.
- (j) A clean Michigan community program grant requires no match.
- (3) A 10% match shall be required for all loans, except for waste-to-energy project loans

R 299.12206 Application; forms.

Rule 206. An applicant for a grant or a loan shall provide a complete application on forms provided by the commission.

R 299.12207 Documentation of ability to repay loan.

Rule 207. A loan applicant shall document the financial ability to repay the loan by submitting a completed loan application form.

R 299.12208 Documentation of resources.

Rule 208. An applicant shall demonstrate adequate resources to implement and provide future maintenance and operation of recycling, composting, market development, waste-to-energy, household hazardous waste center, and transfer stations for 5 years after project completion, including all of the following:

- (a) Identifiable monetary resources.
- (b) Land, buildings, or equipment.
- (c) Insurance coverage.
- (d) Support services.
- (e) Personnel. History:

R 299.12209 Eligible projects.

Rule 209. Only new projects, or new components of projects funded previously through act 249, act 328, or other solid waste or resource recovery grant or loan programs, are eligible for grants or loans.

R 299.12210 Documentation of commitment of funds for project cost overruns; exception.

Rule 210. All applicants for a grant or a loan, except for clean Michigan community applicants, shall provide documentation of the commitment of funds for project cost overruns. Clean Michigan community applicants shall commit to fund project cost overruns at the time they enter into a contract for a grant.

R 299.12211 Submittal of evidence of licensed professional engineer approval of plans, studies, or specifications; exception.

Rule 211. An applicant shall submit evidence that a licensed professional engineer has approved any engineering plans, studies, or specifications necessary for project completion, except for closures. Closure recipients shall submit such evidence at the time of contract submittal pursuant to the provisions of R 299.12502

R 299.12212 Documentation as condition of funding.

Rule 212. An applicant shall provide documentation to satisfy the requirements of R 299.12201 to R 299.12211 to be eligible for grant or loan funding

R 299.12213 Receipt of application by deadline as condition of funding.

Rule 213. Applications shall be provided by the deadline established by the department pursuant to the provisions of R 299.12601 to be eligible for funding. Application materials received after the deadline shall be returned to the applicant and shall not be considered.

R 299.12214 Ineligible items.

Rule 214. All of the following are ineligible items for all grant or loan categories of these rules:

- (a) Grant or loan administration cost.
- (b) Taxes.
- (c) Fees.
- (d) Licenses or permits.
- (e) Vehicle registration.
- (f) Indirect or overhead expenses.
- (g) Office equipment.
- (h) Contingency funds.
- (i) Legal costs.
- (j) Land acquisition

R 299.12215 Replacement equipment eligibility.

Rule 215. Replacement of existing equipment shall not be an eligible item for any grant, but shall be an eligible item for a loan

PART 3. APPLICATIONS

R 299.12301 Application categories; return of materials received after deadline.

Rule 301. (1) An application for a grant or a loan may be submitted for any of the following categories:

- (a) Composting and recycling, including the subcategory, clean Michigan community.
- (b) Market development.
- (c) Market development research and demonstration.
- (d) Marketing project.
- (e) Waste reduction research and demonstration.
- (f) Household hazardous waste centers.
- (g) Resource recovery education.
- (h) Waste-to-energy projects.
- (i) Transfer stations.
- (j) Closures.

(2) Application materials that are received after the deadline shall be returned to the applicant and shall not be considered.

R 299.12302 Application content.

Rule 302. (1) An applicant shall provide a complete application on forms provided by the commission. An application for any category, except for closures, clean Michigan community grants, and marketing projects, shall include all of the following:

(a) Documentation that the applicant meets the requirements of the provisions of part 2 of these rules.

(b) A summary of the proposed project.

(c) A description of current solid waste management practices of the area to be served by the proposed project, including information on all of the following:

(i) Resource recovery projects.

(ii) Transfer stations.

(iii) Licensed landfill capacity.

(d) A description of the experience or ability of the applicant to work with adjacent local units of government on alternative resource recovery projects, such as any of the following:

(i) The development of a regional resource recovery organization.

(ii) Jointly sponsored resource recovery initiatives.

(iii) Regional materials marketing strategies.

(e) The experience of the applicant related to the type of project proposed.

(f) A feasibility study or other data that supports economic viability, technical feasibility, and need for project initiation or expansion.

(g) A detailed project description and goals, including all of the following:

(i) A narrative description of the technology or methodology to be used in the project.

(ii) Specifications of equipment and structures relative to the project needs, if applicable. Include drawings, schematics, or engineering plans that are available.

(iii) The projected staffing needs of the project and details on how the staffing needs and costs will be met.

(iv) A grant or loan budget that is itemized to show the total budget of eligible items only. Budget items shall include projected costs of equipment, structures, or other eligible expenditures of the project as documented through written quotations or bids.

(v) The rationale for expenditures relative to each item in the grant or loan budget.

(vi) A description of each type of product to be purchased as part of the grant or loan project that is manufactured from recycled wastes, including the actual percentage of waste incorporated into the manufacturing of the product.

(vii) A project implementation timetable that shows all key actions and dates.

(h) The business and accounting plans for the proposed project.

(i) Proof of ownership or land use arrangements for the project site or sites.

(j) Documentation that shows a commitment for the match, if applicable.

(k) A mechanism for the review of project progress, task implementation, and project completion in accordance with the proposed project timetable.

(l) A detailed method for quantitatively measuring the success of the project.

(m) A description of previously secured grant or loan amounts received by the applicant through act 249, act 328, the public service commission resource recovery demonstration grant, or other grants or loans for programs or projects related to solid waste or resource recovery, including all of the following information:

(i) The name of the grant or loan program providing funding.

(ii) The name of the agency sponsoring the grant or loan program.

(iii) Accomplishments of the program funded compared to the goals of the program funded.

(iv) Differences in the proposed project and the previously funded project.

(n) Information on current procedures or programs operated by the applicant to purchase recycled products or materials or to recycle any materials.

(2) Closure applications shall include the items listed in subrule (1)(a), (b), (g) to (k), and (m) of this rule.

(3) Clean Michigan community applications shall include the items listed in subrule (1)(a), (c) to (f), (m)(i) to (iii), and (n) of this rule.

(4) Marketing applications shall include the items listed in subrule (1) of this rule, except for items listed in subrule (1)(c), (d), and (f) of this rule.

(5) Applications for grants or loans involving used oils, household hazardous waste, drum reuse, battery collection, or any applications where a toxic substance may be involved in the project shall include all of the following information and documents:

(a) Documentation of communication with the department district staff regarding any concerns that district staff may have regarding the proposed project.

(b) A listing of the specific concerns or recommendations of district staff.

(c) The actions proposed to implement recommendations or to mitigate concerns of the district staff.

PART 4. WASTE REDUCTION AND RECOVERY PROJECT CATEGORIES

R 299.12401 Recycling and composting projects.

Rule 401. (1) The amount of a recycling grant shall not be more than \$500,000.00.

(2) The amount of a recycling loan shall not be more than \$1,000,000.00.

(3) The amount of a composting grant shall not be more than \$250,000.00.

(4) The amount of a composting loan shall not be more than \$500,000.00.

(5) An applicant shall submit information in the application that documents all of the following:

(a) The availability of material to be recycled or composted.

(b) The method used to determine the amount of material diverted.

(c) The interest of local municipalities, businesses, community groups, volunteers, or other affected parties to undertake, support, and participate in the project.

(d) How soon the project will impact the waste stream of the affected area.

(e) The potential of the project to be replicated in similar areas of the state or to serve as a model to other communities or municipalities.

(f) An inventory of equipment that is, or may be, utilized in the recycling or composting project.

(6) To be eligible for a recycling or composting grant or loan, an applicant shall document all of the following:

(a) The need for a new or expanded recycling or composting program in the area to be served, with information to show that the material to be collected or processed is not recovered presently and would not be recovered but for the proposed project. The demonstration that the material to be collected or processed would not be recovered but for the proposed project shall include a description of services available from, or proposed by, existing entities.

(b) The availability of existing or new markets to use the recovered or composted material without displacing materials collected by existing recycling or composting operations in the project area to be served.

(c) The source, type, and amount of the waste stream that is projected to be diverted from landfilling or solid waste incineration, or both. In addition, for proposed composting projects, the type and amount of material projected to be diverted from open burning.

(7) To be eligible for a composting grant or loan, the area to be served by the composting project shall have in place a ban on the landfilling of leaves and yard waste and a ban on the burning of leaves and yard waste prior to entering the grant or loan contract.

(8) All of the following are eligible funding items for recycling and composting grants or loans:

(a) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.

(b) Materials and supplies directly related to the project, excluding office supplies.

(c) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the grant or loan budget or a maximum of \$10,000.00, whichever is less.

(d) Structures.

(9) Recycling grant or loan recipients shall, as part of the grant or loan contract, agree that collected recyclables shall not go to a landfill or a solid waste incinerator, except for scrap tires used for energy recovery

R 299.12402 Clean Michigan community projects.

Rule 402. (1) Clean Michigan community projects shall be implemented to build acceptance of recycling or recycling and composting as community waste management options.

(2) A consultant for a clean Michigan community program shall be a private entity determined by a joint committee made up of a representative from the local unit of government selected to receive a clean Michigan community grant and 2 representatives of the department.

(3) All funding for clean Michigan community projects shall be grants.

(4) An applicant for a clean Michigan community grant shall be a local unit of government. The local unit of government may contract with a private entity to carry out all or any portion of the project.

(5) To be eligible for funding for a clean Michigan community project, an applicant shall submit a resolution, as part of the application, that commits the local unit of government to do all of the following:

(a) If not already in place, enact local ordinances or formal policies that require all of the following:

(i) Procurement of recycled materials and products by specific dates, including target levels for purchasing one or more of the following:

- (A) Re-refined oil.
- (B) Retreaded tires.
- (C) Recycled paper.
- (D) Recycled plastic.
- (E) Glass.
- (F) Aluminum.
- (G) Compost.

(ii) Mandatory source separation of waste materials for recycling.

(iii) In conjunction with the development of a composting program, a prohibition on the burning of leaves and yard waste.

(iv) In conjunction with the development of a composting program, a ban on the landfilling of leaves and yard waste.

(v) A prohibition on the scavenging of recyclable material.

(b) Develop a comprehensive public education and participation program to promote citizen participation in the separation of material and provide documentation on how this will be achieved.

(c) Serve as a model community and keep records on all of the following:

- (i) Program development.
- (ii) Amounts of material recovered.
- (iii) Costs associated with the program.

(d) Develop a plan, for approval by the department, for sharing the information specified in subdivision (c) of this subrule with others through any of the following:

- (i) Tours.
- (ii) Newsletters.
- (iii) Conference or workshop participation.
- (iv) Summary reports.
- (v) Other methods.

(e) Coordinate with haulers, recyclers, brokers, and others involved in existing programs to document the extent to which they are willing to support and participate in the project.

(f) Establish and formalize graduated phased-in participation and targeted diversion goals.

(g) Work closely with the department and the consultant on program development, implementation, and assistance in testing and evaluating various aspects of the program, including all of the following:

- (i) Economic incentives to participants and employees.
- (ii) Efficiencies of specific equipment.

(iii) Cost effectiveness of curbside collection and the impact of using different types of containers or collection vehicles.

(6) In considering grant applications, the department shall attempt to distribute clean Michigan community grants to local units of government such that both of the following provisions are complied with:

(a) Not more than 2 grants are provided to each group of the following local units of government:

- (i) Small, less than 7,500 people.
- (ii) Medium, from 7,500 to 50,000 people.
- (iii) Large, over 50,000 people.

(b) Funding may be provided to both of the following:

- (i) Communities that currently have a recycling or composting program in place.
- (ii) Communities that do not have any recycling or composting programs in place.

(7) All of the following are eligible budget items for clean Michigan community grants:

- (a) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.
- (b) Materials and supplies directly related to the project, excluding office supplies.
- (c) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the grant or loan budget.

(d) Structures.

(8) Before the issuance of a department contract, the recipient of a clean Michigan community grant shall do both of the following:

(a) Enact the ordinances or formal policies pursuant to the provisions of subrule (5)(a) of this rule.

(b) Submit project details to be negotiated by the clean Michigan community, the consultant, and the department. The project details shall include all of the following:

- (i) Application contents pursuant to the provisions of R 299.12302 that were not previously required, being R 299.12302(b), (g), (h), (i), (k), (l), and (m)(iv).
- (ii) Information pursuant to the provisions of R 299.12401(5).
- (iii) Eligibility requirements pursuant to the provisions of R 299.12401(6) and (7).
- (iv) Information to satisfy the requirements of subrule (5)(b) to (g) of this rule.

(9) A consultant for the clean Michigan communities shall do both of the following:

(a) Be responsible for designing, assisting in the implementation of, monitoring, and the performance evaluation of, the clean Michigan community project.

(b) Work with the community for 2 years or until the funding is expended.

(10) The consultant fees for the clean Michigan community program shall be paid by the department from the fund created by section 6 of act 328. The consultant fees shall not be part of the grant provided to the local unit of government. The amount paid as consultant fees shall not be more than 10% of the total amount of funding for all clean Michigan community project grants.

(11) Clean Michigan communities grant recipients shall, as part of the grant contracts, agree that collected recyclables shall not go to a landfill or a solid waste incinerator, except for scrap tires used for energy recovery.

R 299.12403 Household hazardous waste center projects.

Rule 403. (1) Household hazardous waste grants or loans shall be used to establish centers for the long-term, ongoing diversion of household hazardous waste from disposal at solid waste incinerators and landfills.

(2) The amount of a grant for a household hazardous waste center shall not be more than \$100,000.00.

(3) The amount of a loan for a household hazardous waste center shall not be more than \$150,000.00.

(4) Grants and loans for a household hazardous waste collection center may extend over a 3-year time period.

(5) A household hazardous waste center that is funded by a grant or loan shall accept household hazardous waste from residents of the proposed service area.

(6) An applicant shall submit all of the following information in the application:

(a) Detailed project site information that addresses the proximity of population centers and the design layout of loading and unloading area.

(b) Detailed information on the facility, including all of the following information:

(i) Areas for sorting and packaging waste and materials.

(ii) Areas for the storage of waste and materials.

(iii) Ventilation.

(iv) Equipment, including materials needed to respond to on-site spills.

(v) Personal protection equipment to be used on a regular basis.

(vi) Emergency equipment and training for personnel.

(vii) Fencing.

(viii) Secondary containment.

(c) A description of personnel included in operating expenses, including personnel duties and training relative to toxicity and chemical hazards.

(d) All of the following information on waste handling and disposal:

(i) The amounts and types of waste to be stored and how it will be packaged for storage.

(ii) The procedure for identifying and storing different types of waste that may cause undesirable chemical or physical effects when stored together.

(iii) The length of time waste is projected to be stored.

(iv) Plans for locating legal waste exchange, recycling options, or other alternative uses for material collected at the center.

(v) Transportation arrangements, both incoming and outgoing.

(vi) The procedures for handling and testing unidentified waste.

(vii) The final disposition of material and waste.

(viii) The frequency of shipments of waste from the facility.

(e) Information relative to both of the following concerns:

(i) A plan for notifying local emergency contacts when a center opens or when spills or other emergencies occur.

(ii) Efforts to be undertaken to locate a local, long-term, ongoing funding mechanism for the facility.

(f) A detailed plan for education activities to promote the center to assure participation.

(g) A plan for data collection at the center, including all of the following information:

- (i) The number of people who participate.
- (ii) The amounts and types of waste handled.
- (iii) Reuse, recycling, and disposal methods used, indicating the amounts and types of waste used by each option.
- (iv) The costs of operating the facility.
- (h) Plans for educating participants about safety and handling concerns of the material before bringing it to the center.
- (i) Plans for educating potential participants on how household hazardous waste affects landfill and incinerator programs.

(7) All of the following are eligible budget items for household hazardous waste centers:

- (a) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.
- (b) Materials and supplies related to the project, excluding office supplies.
- (c) Materials and production costs for promotional programs related to the project. Such costs shall not be more than 10% of the grant or loan budget or a maximum of \$10,000.00, whichever is less.
- (d) Operating expenses, including the costs of transporting and disposing of household hazardous waste and the costs of locating or organizing legal reuse alternatives for materials accepted by the program.

(e) Structures.

(8) Recipients of a household hazardous waste center grant or loan shall agree to do all of the following in the grant or loan contract:

(a) Ensure that all household hazardous waste to be disposed of is transported to a treatment, storage, or disposal facility by a transporter that is licensed under the provisions of Act No. 64 of the Public Acts of 1979, as amended, being S299.501 et seq. of the Michigan Compiled Laws, and Act No. 136 of the Public Acts of 1969, as amended, being S323.271 et seq. of the Michigan Compiled Laws.

(b) Ensure that all household hazardous waste to be disposed of is processed at a treatment or disposal facility that is authorized to operate under the provisions of Act No. 64 of the Public Acts of 1979, as amended, being S299.501 et seq. of the Michigan Compiled Laws or the resource conservation and recovery act.

(c) Provide documentation that household hazardous wastes collected were disposed of at a state or federal licensed hazardous waste treatment, storage, or disposal facility.

(9) Recipients of a household hazardous waste center grant or loan shall agree in the grant or loan contract not to do any of the following:

(a) Mix, combine, or commingle household hazardous wastes or unidentified wastes, or any combination thereof, at the collection site, unless specifically approved in writing by the state.

(b) Accept any regulated hazardous wastes or spend grant or loan funds for the treatment, storage, or disposal of such wastes.

(c) Spend grant or loan funds for the disposal of materials collected which do not meet the definition of household hazardous waste or which pose no threat to the environment.

R 299.12404 Resource recovery education projects.

Rule 404. (1) Grants or loans for resource recovery education projects shall be provided to promote local resource recovery initiatives by private entities and local units of government.

(2) The amount of a resource recovery education grant shall not be more than \$50,000.00.

(3) The amount of a resource recovery education loan shall not be more than \$100,000.00.

(4) To be eligible for funding, a resource recovery educational project shall directly promote the use of an existing or planned local resource recovery program.

(5) An applicant shall provide all of the following information in the application:

(a) The name of the local resource recovery project that the program will promote.

(b) A written statement of interest or support, or both, from the local resource recovery project.

(c) Detailed plans for project evaluation and follow-up.

(d) A written statement of interest or support, or both, from the audiences targeted for the educational programs.

(6) Both of the following are eligible budget items for resource recovery education projects:

(a) Materials and supplies related to the project, excluding office supplies.

(b) Operating expenses.

R 299.12405 Market development projects.

Rule 405. (1) The amount of a market development project shall not be more than \$5,000,000.00 for either a grant or a loan.

(2) To be eligible for market development funding, an applicant shall provide all of the following information with the application:

(a) Documentation that the project is beyond the research stage and that a demonstration has indicated it is technically feasible for full-scale operation.

(b) Letters of intent from end users or purchasers of the recovered material or recycled products that indicate specific quantities the end users or purchasers intend to purchase or use, or both.

(c) A comprehensive marketing plan which contains the information specified in R 299.12407(10) and which is developed to promote the sale of the product made from waste material otherwise bound for landfills or solid waste incinerators.

(d) The source, type, and amount of the waste stream that is projected to be diverted from the landfill or the solid waste incinerator, or both.

(3) The application shall also include all of the following information:

(a) The method used to determine the amount of material diverted from the landfill or the solid waste incinerator, or both.

(b) The need for a new or expanded market development project in the area to be served, with information to show that the material to be used in the project is not recovered presently and would not be recovered but for the proposed project.

(c) An estimate of the jobs created by the project, including all of the following information for each job:

- (i) Type of job.
- (ii) Salary.
- (iii) Whether temporary or long-term.
- (iv) Whether part-time or full-time.
- (d) An inventory of equipment that is or may be utilized in the market development project.

(4) Grants or loans for market development shall not be used to prepare material for use as refuse-derived fuel or waste-to-energy fuel, except for projects that use scrap tires for energy recovery.

(5) All of the following are eligible budget items for market development grants or loans:

- (a) Structures.
 - (b) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.
 - (c) Materials and supplies, excluding office supplies related to the project.
 - (d) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the grant or loan budget or a maximum of \$10,000.00, whichever is less.
- (6) Market development grant or loan recipients shall, as part of a grant or loan contract, agree that collected recyclables shall not go to a landfill or a solid waste incinerator, except for scrap tires used for energy recovery

299.12406 Market development research and demonstration projects.

Rule 406. (1) The amount of a market development research and demonstration grant shall not be more than \$250,000.00.

(2) The amount of a market development research and demonstration loan shall not be more than \$500,000.00.

(3) An applicant shall submit both of the following in the application:

(a) Information on the qualifications or prior experience of the applicant related to the project or to the ability to conduct a research and demonstration project.

(b) A documented commitment to ensure that all of the following will be provided to the department within the time period allowed for project completion pursuant to the provisions of R 299.12615(2).

(i) An economic analysis of the viability of the project results for use by others.

(ii) Information on the type of private entities or local units of government that may be able to utilize the new technology, information, or other findings of the project.

(iii) A detailed description of the potential effect of the research and demonstration project on market development.

(iv) A plan to share the results, the research, or the information on the effectiveness of the demonstration with others through tours, articles, summary reports, and other methods.

(4) Grants or loans for market development research and demonstration shall not be used to prepare material for use as refuse-derived fuel or waste-to-energy fuel, except for projects that will prepare scrap tires for use in energy recovery.

(5) All of the following are eligible budget items for market development research and demonstration grants or loans:

- (a) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.
- (b) Materials and supplies, excluding office supplies related to the project.
- (c) Operating expenses.
- (d) Materials and production costs for promotional programs related to the project. Such costs shall not be for more than 10% of the grant or loan budget or a maximum of \$10,000.00, whichever is less

R 299.12407 Marketing projects.

Rule 407. (1) The amount of a marketing grant shall not be more than \$50,000.00.

(2) The amount of a marketing loan shall not be more than \$100,000.00.

(3) Marketing grants or loans shall be provided for any of the following:

(a) Determining the marketing feasibility of a specific product, a type of product, or a group of related products.

(b) Developing a marketing strategy for a specific product, a type of product, or a group of related products.

(c) Implementing a marketing strategy for a specific product, a type of product, or a group of related products.

(4) Applicants for repeat funding in the marketing category regarding a specific product, a type of product, or a group of related products shall be eligible for loans only.

(5) To be eligible for a marketing grant or loan, an applicant shall provide all of the following documentation:

(a) Documentation that the product to be marketed is or will be manufactured in Michigan.

(b) Documentation that the raw materials used in manufacturing the product include, or will include, a minimum of 50% Michigan waste that would otherwise be bound for a solid waste landfill or a solid waste incinerator.

(c) Documentation that the manufacturing of the product, the type of product, or a group of related products to be marketed is or will be an ongoing, full-scale operation.

(6) An applicant for a marketing grant or loan shall provide both of the following:

(a) A sample or a detailed description of the product to be marketed, or both.

(b) A description of how an increase in the sales of the product, the type of product, or a group of related products will result in an increase in the utilization of, or an increased demand for, a segment of the solid waste stream.

(c) The source, type, and amount of waste used in the manufacturing of the product or products to be marketed.

(7) Applicants for a marketing grant or loan to determine the feasibility of marketing a product, a type of product, or a group of related products shall submit both of the following with the application:

(a) Specific detailed plans for determining the marketing feasibility.

(b) A detailed description of how the marketing feasibility results will be used.

(8) To be eligible for a marketing grant or loan to develop a marketing plan or for implementing a marketing plan, an applicant shall submit, in the application, a feasibility study or other data that supports the economic viability, technical feasibility, and need for project initiation.

(9) Applicants for a marketing grant or loan to develop a marketing plan for a product, a type of product, or a group of related products shall submit, with the application, both of the following:

(a) A commitment to provide the department with the information in a comprehensive marketing plan required pursuant to the provisions of subrule (10) of this rule within the time period allowed for project completion pursuant to the provisions of R 299.12615(2).

(b) A narrative description of how the comprehensive marketing plan will be used.

(10) To be eligible for a marketing grant or loan to implement a marketing plan, an applicant shall provide a comprehensive marketing plan that includes all of the following information and documents:

(a) A description of the project.

(b) A market position statement identifying the market segment that will use the product.

(c) A comprehensive list of all distributors who sell to the identified market segment.

(d) Reasons for using the marketing channels proposed.

(e) A list of competitors.

(f) An analysis of the competitor products and selling program.

(g) A price schedule of the product line to be marketed.

(h) An explanation of the applicant's company pricing strategy.

(i) A marketing budget, including advertising and promotional costs.

(j) A written sales program, including compensation incentives, and terms to the sales force.

(k) A sales forecast based on the plan.

(l) An organization chart with specific job descriptions and resumes of the key personnel who will implement the marketing plan.

(m) A mechanism to determine and track sales performance.

(11) A grant or loan for a marketing project shall not be for projects related to refuse-derived fuel or waste-to-energy fuel, except for projects that use scrap tires for energy recovery.

(12) The following are eligible funding items for marketing grants or loans:

(a) Materials and supplies directly related to the project, excluding office supplies.

(b) Operating expenses

R 299.12408 Waste reduction research and demonstration projects.

Rule 408. (1) The amount of a waste reduction research and demonstration grant shall not be more than \$250,000.00.

(2) The amount of a waste reduction research and demonstration loan shall not be more than \$500,000.00.

(3) An applicant shall submit all of the following with the application:

(a) A detailed schematic layout of the process or equipment, or both, if appropriate.

(b) Information on the qualifications or prior experience of the applicant related to the project or to the ability to conduct a research or demonstration project.

(c) A documented commitment to ensure that all of the following information will be provided to the department:

(i) A detailed description of the technology or process developed, including all of the following:

(A) The type of waste.

(B) The amount of waste reduction realized by the project.

(C) The projected waste reduction to be realized by project implementation.

(ii) An economic analysis of the viability of the technology or process for use by others.

(iii) Information on the type of private entities or local units of government that may be able to utilize a similar technology or process.

(iv) A plan to share the information with others through tours, articles, summary reports, and other methods.

(4) All of the following are eligible budget items for waste reduction research and demonstration grants or loans:

(a) Operating expenses.

(b) Materials and supplies related to the project, excluding office supplies.

(c) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.

(d) Materials and production costs for promotional programs related to the project. Such costs shall not be more than 10% of the project cost or a maximum of \$10,000.00, whichever is less.

R 299.12409 Waste-to-energy projects.

Rule 409. (1) As used in this rule, total project cost means all financial expenditures related to the project, including both grant or loan eligible expenditures, and expenditures made to complete the waste-to-energy facility that are not eligible for grant or loan reimbursement.

(2) Funding for projects associated with waste-to-energy incinerators shall be utilized only for 1 or more of the following purposes:

(a) To divert recyclable material from solid waste incineration into a recycling program.

(b) To divert yard waste from solid waste incineration into a composting program.

(c) To divert household hazardous waste from solid waste incineration into a hazardous waste recycling, treatment, or disposal program.

(3) Only waste-to-energy projects that have in-place programs in the area to be served by the incinerator, pursuant to the provisions of subrule (2) of this rule, that meet or exceed the goals of the state solid waste policy or waste-to-energy projects, or that have in-place programs in the area to be served by the incinerator that meet the same goals of programs pursuant to the provisions of subrule (2) of this rule and meet or exceed the goals of the state solid waste policy shall be eligible to receive a grant or loan for either or both of the following:

(a) Air pollution control equipment.

(b) Ash reuse or recycling.

(4) Grants or loans made pursuant to the provisions of subrule (1) of this rule shall not be used to prepare material for use as refuse-derived fuel or waste-to-energy fuel, except for projects that use scrap tires for energy recovery.

(5) The total amount of all grants or loans funded for waste-to-energy projects shall not be more than \$15,000,000.00.

(6) The amount of a waste-to-energy grant or loan shall not be more than \$5,000,000.00 or 25% of the total project cost, whichever is less.

(7) To be eligible for a grant or loan for projects related to a waste-to-energy facility, an applicant shall provide documentation to show 1 of the following in the application:

(a) An executed power purchase agreement with a public utility.

(b) An agreement to use or sell the energy products for any of the following:

(i) Space heating.

(ii) Industrial process heating.

(iii) A municipal district heating and cooling system.

(c) Agreements to use the energy products in any combination of uses specified in subdivision (a) or (b) of this subrule.

(8) An applicant shall provide all of the following information in the application:

(a) Details about the ownership of the land and the facility.

(b) Details about the operator of the facility.

(c) Information about the source of financing.

—*(d) The extent to which composting, recycling, and household hazardous waste collection are currently implemented in the community.

(e) Specific information on the waste-to-energy incinerator, including the type, cost, and capacity in tons per day.

(f) For waste-to-energy projects pursuant to the provisions of subrule(2)(a) and (b) of this rule, an applicant shall do both of the following:

(i) Provide information to meet the eligibility requirements of recycling and composting programs pursuant to the provisions of R 299.12401 to be eligible for funding.

(ii) Provide information on the composting and recycling grant application pursuant to the provisions of R 299.12401.

(g) Information on the air pollution control equipment.

(h) The estimated tipping fees to be charged at the incinerator.

(i) The projected energy output and use of the energy products.

(j) The projected volume reduction of waste that is processed.

(k) Documentation of waste flow commitments.

(l) Details on the handling and final disposal of ash.

(9) All of the following are eligible budget items for waste-to-energy projects:

(a) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.

(b) Materials and supplies related to the project, excluding office supplies.

(c) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the grant or loan budget or a maximum of \$10,000.00, whichever is less.

(d) Structures.

PART 5. CLOSURE AND TRANSFER STATIONS

R 299.12501 Funding maximum.

Rule 501. (1) The amount of a closure grant or loan shall not be more than \$600,000.00.

(2) The total amount of all grants or loans for closures shall not be more than \$20,200,000.00

R 299.12502 Provision of schedule and plans to department; contract.

Rule 502. (1) Within 90 days of a contract being issued by the department, a closure grant or loan award recipient shall provide the department with all of the following as part of the contract:

(a) A schedule of closure.

(b) A detailed closure plan, including engineering plans and specifications for a landfill cap that meets the specifications of R 299.4305(9) and (10).

(c) A monitor well installation plan.

(d) The 2 originals of the contract provided by the department, both signed by the recipient.

(2) If the contract, including the items specified in subrule (1) of this rule, is not submitted within 90 days, the grant or loan award is rescinded.

(3) The department shall review and approve or disapprove each item listed in subrule (1) of this rule as part of the contract within 30 days of receipt of the contract.

(4) If the contract or any portion of the contract is disapproved, the entire contract shall be sent back to the recipient with the reasons for disapproval. A recipient shall have 30 days to make all corrections and resubmit the entire contract pursuant to the provisions of subrule (1) of this rule.

(5) If the contract is not corrected and resubmitted within 30 days or cannot be approved after resubmittal, the grant or loan award will be rescinded.

R 299.12503 Contract requirements.

Rule 503. In addition to the general conditions required pursuant to the provisions of R 299.12615, a contract that is issued to a grant or loan recipient for a closure shall require the recipient to do all of the following:

(a) Close the landfill or dump consistent with the closure plan within 18 months of the effective date of the grant or loan contract.

(b) Install 4 monitoring wells consistent with the monitoring well installation plan within 18 months of the effective date of the grant or loan contract.

(c) Agree to provide access to the state, state contractors, or their assignees for the purpose of performing work, as appropriate, to the site both during the time period allowed for project completion pursuant to the provisions of R 299.12615(2) and for the following 30 years.

(d) Stipulate that providing funding for closure does not obligate the department to assume responsibility for any contamination problems found at the site

R 299.12504 Application deadline.

Rule 504. A closure grant or loan application shall be accepted when received by the department any time before January 1, 1990

R 299.12505 Eligibility.

Rule 505. To be eligible for a closure grant or loan, an applicant shall satisfy both of the following requirements:

- (a) Be a local unit of government that owns or operates a landfill or dump.
- (b) Submit all of the following information in the application:
 - (i) The size in acres of the landfill or dump.
 - (ii) For landfills or dumps that are currently operating:
 - (A) The amount of waste currently received by the facility.
 - (B) A description of the recycling, disposal, or other alternatives to be used for waste materials that currently go to the facility.

R 299.12506 Funding priorities.

Rule 506. (1) Applications that meet the eligibility requirements of R 299.12505 shall collectively be prioritized for funding as follows:

- (a) The top priority for funding shall include both of the following:
 - (i) Unlicensed dumps open and operating on November 20, 1987. Evidence that the landfill or dump was operating shall include documentation of public expectation of additional dumping, such as regularly scheduled hours at the facility.
 - (ii) Applicants who previously submitted a closure or reclosure grant application pursuant to the provisions of act 249.

(b) Other closure or reclosure projects shall be a lower priority.

(2) Applications shall be prioritized for funding within the subcategories determined pursuant to the provisions of subrule (1)(a) and(b) of this rule based on the following criteria:

(a) The degree of effort demonstrated by the municipality in working toward alternative solutions to solid waste management problems.

(b) The degree of the potential threat of groundwater contamination.

(c) The likelihood that hazardous waste was accepted.

(d) The municipality's willingness to work with adjacent municipalities on alternative solutions.

(e) The municipality's commitment to refrain from operating unlicensed disposal areas in the future.

R 299.12507 Eligible budget items.

Rule 507. (1) Costs directly attributable to proper closing are eligible budget items for a closure grant or loan and include the costs of all of the following:

(a) The grading, sloping, and contouring of fill surfaces.

(b) The transportation and placement of synthetic or clay cover material.

(c) The seeding and stabilization of the completed cap.

(d) The installation of methane vents.

(e) Monitoring well installation plan development and installation of not more than 4 monitoring wells.

(f) Engineering support that is not more than 15% of the grant or loan budget.

(g) Fencing to insure site security.
(h) Vermin control measures, such as baiting completed before the placement of the cover material.

(2) All of the following are ineligible costs for closure grants or loans:

(a) Thirty-year, post-closure monitoring.

(b) Leachate collection systems.

(c) Treatment systems.

(d) Purge wells.

(e) Slurry walls.

(3) For closure grants or loans, eligible expenditures for engineering costs up to 10% of the grant or loan made after the date of the award shall be reimbursed

R 299.12508 Funding for transfer station projects to be used for costs of construction.

Rule 508. Funding for transfer station projects shall be used for the costs of construction.

R 299.12509 Total funding for transfer station grants or loans.

Rule 509. The total funding for transfer station grants or loans shall not be more than \$8,400,000.00.

R 299.12510 Funding limits for individual transfer station projects.

Rule 510. (1) The amount of a transfer station grant shall not be more than \$200,000.00.

(2) The amount of a transfer station loan shall not be more than \$500,000.00.

R 299.12511 Transfer station application information.

Rule 511. An applicant shall submit information on each dump or landfill that is closed or is expected to close within the next year in the area to be served, including all of the following information for each facility:

(a) The name.

(b) The location.

(c) The size.

(d) The amount of waste received per time period.

(e) The identity of the owner or operator.

R 299.12512 Eligibility for transfer station grants or loans.

Rule 512. To be eligible for a transfer station grant or loan, an applicant shall provide the following documents and information:

(a) A commitment for incorporating recycling into the transfer station operations.

(b) A documented commitment to only dispose of collected waste at a solid waste disposal area licensed pursuant to the provisions of act 641.

(c) The name and location of the licensed act 641 disposal area to be used.

(d) Documentation that both the waste shipping and receiving counties approve the transfer of the waste in their respective act 641 plans.

(e) Documentation of the private sector's lack of interest to provide service at a competitive rate.

R 299.12513 Transfer station application rank.

Rule 513. A transfer station project application to serve an area where a landfill or dump is closed shall be ranked higher than an application for another transfer station.

R 299.12514 Eligible costs for transfer station projects.

Rule 514. All of the following are eligible costs for transfer station projects:

- (a) Building construction, including materials and labor.
- (b) Paving.
- (c) Fencing.
- (d) Equipment to be used on-site, such as a compactor, hopper, scales, or crane.
- (e) Rolling stock, such as trailers, roll-off units, and tractors. Tractors are eligible only if the private sector is not available to provide hauling services.
- (f) Necessary engineering expenses that are not more than 10% of the grant or loan budget.

R 299.12515 Transfer station contract.

Rule 515. In addition to the general conditions required pursuant to the provisions of R 299.12615, a contract that is issued to a grant or loan recipient for a transfer station shall require that the grant or loan be forfeited and immediately repaid to the state if waste collected is disposed of at any location other than a licensed solid waste disposal area.

PART 6. SOLID WASTE PROGRAM ADMINISTRATION

R 299.12601 Application time schedules.

Rule 601. The department shall establish time schedules for the submittal and processing of applications for solid waste grants and loans.

R 299.12602 Evaluation and ranking of applications.

Rule 602. (1) The department shall provide, to the advisory panel, evaluations and rankings for the eligible applications in each of the following categories:

- (a) Recycling and composting, including clean Michigan communities.
- (b) Market development.
- (c) Market development research and demonstration.
- (d) Marketing.
- (e) Waste reduction research and demonstration.
- (f) Household hazardous waste centers.
- (g) Resource recovery education.
- (h) Waste-to-energy projects.
- (i) Closurés.

(2) Department staff shall evaluate and rank applications by category using all of the following criteria:

(a) Applicant documentation of general eligibility pursuant to the provisions of part 2 of these rules and category-specific eligibility pursuant to the provisions of parts 4 and 5 of these rules.

(b) Information requested in part 3 of these rules.

(c) Information requested in the specific grant or loan category of part 4 or part 5 of these rules.

(d) Criteria listed as reasons for denial pursuant to the provisions of R299.12609.

R 299.12603 Advisory panel; recommendations.

Rule 603. (1) The advisory panel shall make recommendations to the commission for grant and loan awards in the categories specified in R 299.12602 to private entities and local units of government based on all of the following criteria:

(a) Application evaluations and rankings by the department.

(b) Geographical distribution of recommended recipients throughout the state.

(c) Goals of the state solid waste management policy and the solid waste implementation plan.

(d) The priority of grant and loan categories as determined by the commission.

(2) The advisory panel shall assure that funding for projects recommended to the commission does not result in total grant or loan award amounts of more than \$15,000,000.00 for waste-to-energy project grants or loans.

(3) Recommendations of the advisory panel may result in a grant or loan award that is less than the amount of funding requested in the application to prevent exceeding the \$15,000,000.00 maximum of the waste-to-energy grant or loan category or the \$20,200,000.00 maximum of the closure grant or loan category.

(4) The recommendations of the advisory panel shall be forwarded to the commission.

(5) The commission shall determine the final grant or loan recipients for the categories specified in R 299.12602.

R 299.12604 Evaluation of eligible transfer stations; list.

Rule 604. The department shall evaluate the eligible transfer stations and forward a prioritized list to the commission.

R 299.12605 Transfer station grant or loan reduction.

Rule 605. The department may recommend a reduction in the amount of a transfer station grant or loan if necessary to remain within the total maximum of \$8,400,000.00 for transfer station funding.

R 299.12606 Determination of final grant or loan recipients for transfer stations.

Rule 606. The commission shall determine the final grant or loan recipients for transfer stations.

R 299.12607 Provision of grants and loans list to legislature.

Rule 607. The commission shall forward the list of approved grants and loans from all categories to the legislature.

R 299.12608 Reasons for denial of funding.

Rule 608. Grant or loan applicants may be denied funding for any of the following reasons:

(a) An applicant does not meet eligibility requirements pursuant to the provisions of R 299.12201 to R 299.12213 or does not meet the eligibility requirements of the specific grant or loan category of part 4 or 5 of these rules.

(b) An applicant does not submit sufficient information requested pursuant to the provisions of part 3, 4, or 5 of these rules, as applicable.

(c) Proposed budget costs are not justified or are not in line with the size and scope of the project.

(d) Project goals or scope, or both, are not consistent with act 249, act 328 or the rules promulgated thereunder.

(e) An applicant has previously received state funds for the same project component.

(f) An application is submitted for a specific grant or loan category that is not intended to fund the type of project described in the application.

(g) An applicant failed to meet the terms and conditions of a previous grant or loan contract under these rules or the grant contract of act 249.

(h) The proposed project is similar to a project which is existing or under development, which is located in the area to be served, and which has or will have an underutilized capacity.

(i) The proposed project is similar to a previously funded project that proved to be unsuccessful. (j) The applicant owes unpaid state taxes.

R 299.12609 Emergency rule closure grant or loan recipients subject to these rules.

Rule 609. A local unit of government which has been approved by the commission to receive a closure grant or loan under the provisions of the emergency solid waste alternatives program rules shall be subject to a 10% match pursuant to the provisions of R 299.12205 for all closure grant or loan contracts entered on or after the effective date of these rules.

R 299.12610 Distribution of funding on cost reimbursement basis.

Rule 610. After legislative appropriation of funding for solid waste grants and loans, the department shall distribute the funding to grant or loan recipients on a cost reimbursement basis.

R 299.12611 Grant advances.

Rule 611. (1) A grant recipient that is a local unit of government or a private nonprofit entity may request an advance for up to 25% of the grant award by forwarding a letter to the department which specifies all of the following information:

(a) The specific project.

(b) The amount requested in advance.

(c) Why the advance is needed.

(d) Exactly how the funds will be spent.

(2) The department may grant an advance to a grant recipient that is a local unit of government or a private nonprofit entity if the need for advance funding is justified and properly documented.

(3) Advanced funds shall be expended only for eligible grant project items that are authorized by the department.

(4) A detailed accounting of advanced fund expenditures shall be provided to the department by the grant recipient before further grant funding.

(5) Advances shall be spent within 30 days of issuance or become subject to interest repayments, at the current prime interest rates, to the department in the form of deductions from the grant reimbursement.

(6) A written authorization for an advance payment from a grant shall become an enforceable part of the contract that is issued to the recipient pursuant to the provisions of R 299.12614 and R 299.12615.

R 299.12612 Expenditure of project cost savings.

Rule 612. (1) Project cost savings from one area of the grant or loan may be expended on other eligible project costs that are identified in the application or on new eligible project costs.

(2) Before making expenditures pursuant to the provisions of subrule (1) of this rule, a grant or loan recipient shall receive written authorization from the department.

R 299.12613 Withholding of part of grant or loan.

Rule 613. (1) The department shall hold back 10% of each grant or loan until the project is completed.

(2) A determination of project completion shall be made by the department through either or both of the following, as applicable:

(a) A financial audit and project review of the grant or loan contract, payment requests submitted, and the narrative progress reports submitted pursuant to the provisions of R 299.12620(1).

(b) A site inspection if necessary to make a final determination on whether the terms of the contract have been completed.

R 299.12614 Predistribution of funds requirements.

Rule 614. Before awarded funds are distributed to an applicant, the grant or loan recipient shall do both of the following:

(a) Obtain all permits required by state law.

(b) Enter into a contract issued by the department

R 299.12615 Contracts; signing and submittal; contents.

Rule 615. (1) Grant or loan contracts for all categories, except closures, shall be signed by the recipient within 90 days of contract issuance by the department or be subject to forfeiture. Closure contracts shall be signed and submitted in accordance with the provisions of R299.12502.

(2) A project contract shall, at a minimum, contain all of the following provisions:

(a) The time period allowed for project completion.

(b) Project cost overruns are the sole responsibility of the grant or loan recipient.

(c) Structures or items purchased with grant funds shall be used exclusively for the purposes specified in the contract for 10 years or the life of the item, whichever is less. Structures or items purchased with loan funds shall be used exclusively for the purposes specified in the contract for the life of the item or the life of the loan, whichever is less.

(d) A grant recipient shall not sell, trade, give away, or otherwise dispose of, the items or structures without prior authorization of the department for a period of 5 years after the project is completed pursuant to the provisions of R 299.12613. When items or structures are sold or traded, 75% of the net proceeds shall be paid into the fund created by section 6 of act 328 and 25% of the net proceeds shall be paid to the grant recipient.

(e) Failure of the grant or loan recipient to comply with the provisions of subdivision (c) or (d) of this subrule shall result in the transfer of ownership of the items originally purchased with grant or loan funds from the recipient to the department.

(f) A grant or loan recipient who had purchased or constructed a structure and who fails to comply with the provisions of subdivision (c) or (d) of this subrule shall refund the amount of the grant or loan expended on the purchase or construction of the structure or fair market value as evidenced by an independent appraisal, whichever is less, to the fund created by section 6 of act 328.

(g) A recipient shall obtain written department authorization before implementing changes in the project.

(h) Michigan recyclable material, if available, shall not be displaced by out-of-state recyclable material in a resource recovery project.

(i) Upon entering a grant or loan contract, a recipient shall not construct or operate an unlicensed disposal area.

(j) False or fraudulent information provided by a recipient or a violation of the terms or conditions of the contract shall result in termination of the contract by the department.

(k) A grant or loan recipient whose contract is terminated pursuant to the provisions of subdivision

(j) of this subrule shall repay to the state all funds received for the project. Money refunded to the state pursuant to this rule shall be placed in the environmental protection bond fund created in section 6 of act 328.

(l) The grant or loan recipient shall maintain records, documents, and computer records in accordance with generally accepted accounting principles and practices for a minimum of 5 years after the project is completed pursuant to the provisions of R 299.12613.

(m) The department or any of its duly authorized representatives shall have access, upon reasonable notice, to such records, documents, or computer records maintained by the applicant pursuant to the provisions of subdivision (1) of this subrule.

(n) Any subcontractors, outside associates, or consultants required by the grant or loan recipient in connection with services covered by the contract shall be limited to the individuals or firms as identified in the grant or loan application. Any substitutions or additions to the subcontractors, associates, or consultants shall require prior written approval of the department.

(o) For a contract that involves research, developmental, experimental, or demonstration work that results in any discovery or invention in the course of the contract completion, the state shall retain sole authority to patent or license.

(p) The grant or loan recipient shall not assign or transfer any interest in this contract without the prior written consent of the department.

(q) The grant or loan recipient shall maintain such insurance as will protect it from claims which may arise out of, or result from, the operations of the grant or loan recipient or its subcontractors as part of this contract.

(r) All information submitted in a grant or loan application or as part of the grant or loan process shall become the property of the department.

(s) All grant or loan recipients shall dispose of their solid wastes at a licensed solid waste disposal area.

(3) A grant or loan application shall be included as part of the executed contract between the recipient and the department.

(4) The grant or loan recipient shall provide a 30-day written notification of the desire to terminate the project before completion of the grant contract.

(5) The state shall provide a 30-day written notification before termination of a grant or loan contract due to executive order or legislative reductions.

(6) Stipulations and clarifications to a specific grant or loan application requested by the advisory panel shall be included as part of the executed contract

R 299.12616 Interest on outstanding debt.

Rule 616. All loan recipients shall pay 5% interest annually on the outstanding debt.

R 299.12617 Term of loan.

Rule 617. The term of a loan shall be not more than 10 years or the life expectancy of the items purchased or structures built as part of the project, whichever is less.

R 299.12618 Combining of grant and loan disallowed.

Rule 618. A combination of a grant and a loan shall not be allowed for a specific project.

R 299.12619 Project progress reporting and payment requests; forms.

Rule 619. Grant and loan recipients shall use forms provided by the department for project progress reporting and payment requests.

R 299.12620 Reimbursement for eligible grant or loan expenditures.

Rule 620. (1) To receive reimbursement of the state share of eligible grant or loan expenditures, recipients shall submit supporting documentation of eligible expenditures paid to date by grant recipients and incurred to date for loan recipients. A narrative description of the project progress shall be submitted with each payment request. Payment requests, on forms provided by the department, shall be submitted quarterly or when the payment request is more than 25% of the grant or loan amount.

(2) Payment requests shall be approved by the department before the distribution of funds.

(3) The department reserves the right to make site inspections before approving a payment request.

R 299.12621 Project summaries.

Rule 621. (1) Each recipient of a solid waste grant or loan shall complete and submit to the department a project summary on a form developed by the department.

(2) Project summaries are due within 3 months after the project completion date as identified in the grant or loan project contract and annually for the following 3 years.

(3) A recipient who fails to submit any project summary as required shall not be eligible to be a future recipient of the grants or loans authorized pursuant to the provisions of act 328.

(4) A project summary shall include all of the following information and documents:

(a) The name, address, and telephone number of the recipient.

(b) The name of the project.

(c) The amount of money received and how it was spent.

(d) The county in which the project is located.

(e) A comparison of projected goals with accomplishments.

(f) The amounts and types of materials recovered or processed as a result of the grant or loan, if applicable.

(g) A brief summary of the activities and accomplishments of the project.

(h) An analysis of the factors affecting the feasibility and economy of others to use the process or equipment used in the project.

(i) A copy of all studies, documents, audio-visual materials, or promotional materials produced as part of the project.

PART 7. STATE SOLID WASTE PROJECTS

R 299.12701 Identifying projects; department recommendation of methods and cost estimate for accomplishing project goals; provision of project information to legislature; oversight responsibilities; annual report.

Rule 701. (1) The department may identify projects that have the potential to affect the solid waste management needs of the entire state or a significant portion of the state or to assist the state in meeting the goals of the solid waste policy and solid waste policy implementation plan.

(2) For projects identified by the department pursuant to the provisions of subrule (1) of this rule, the department shall recommend specific proposals, entities to carry out the proposals, and methods and cost estimates for accomplishing project goals.

(3) The department shall request more information from applicants regarding specific proposals as necessary to make a determination on whether or not to recommend a project to the advisory panel.

(4) The commission shall determine the final awards for state solid waste projects.

(5) Information on projects approved by the commission shall be forwarded to the legislature for funding appropriations from the fund created in section 6 of act 328.

(6) The recipient of a statewide project shall enter into a contract with the department before receiving any funds.

(7) The department shall have oversight responsibilities for state projects and shall provide a written report annually to the commission on the status of each state project funded during the preceding year.

Appendix C

**Solid Waste Alternatives Program
Emergency Administrative Rules**

EMERGENCY RULES
DEPARTMENT OF NATURAL RESOURCES
WASTE MANAGEMENT DIVISION
SOLID WASTE ALTERNATIVES PROGRAM

EMERGENCY RULES

Filed with the Secretary of State on February 24, 1989, 4 p.m.
These rules take effect upon filing with the Secretary of State

(By authority conferred on the commission of natural resources, department of natural resources, by section 9 of Act No. 328 of the Public Acts of 1988, and section 48 of Act No. 306 of the Public Acts of 1969, as amended, being §§299.679 and 24.248 of the Michigan Compiled Laws)

FINDING OF EMERGENCY

These proposed rules are being processed by the commission of natural resources for the purpose of implementing segments of Act No. 328 of the Public Acts of 1988, being §299.671 et seq. of the Michigan Compiled Laws, by describing certain standards and criteria relating to the making of grants and loans under that act.

The commission finds that the state is in critical need of adequate solid waste management facilities to handle the increasing volumes of waste generated. Existing licensed landfill capacity is quickly diminishing while new disposal facilities are increasingly difficult to site and develop. Improper land disposal of wastes is responsible for approximately 13% of the known groundwater contamination problems and 47% of the suspected problems. Failure to properly close unlicensed, substandard disposal facilities will continue to increase environmental contamination. There also is an urgent need to establish resource recovery systems for managing solid waste, thus reducing the state's dependence on landfills while recovering valuable resources and energy.

In May, 1988, the commission of natural resources adopted a new solid waste policy. This policy establishes a comprehensive strategy for resolving the solid waste crisis facing the state. The grants and loans to be made under Act No. 328 of the Public Acts of 1988 are intended to implement the state's solid waste policy and avert the pending solid waste disposal capacity crisis and to close dumps and landfills which pollute or threaten pollution of groundwater. Promulgation of these proposed rules is necessary to immediately implement this program. The commission therefore finds that the preservation of the public health, safety, and welfare requires promulgation of these standards and criteria as emergency rules without following the notice and participation procedures required by sections 41 and 42 of Act No. 306 of the Public Acts of 1969, as amended, being §§24.241 and 24.242 of the Michigan Compiled Laws.

PART 1. GENERAL PROVISIONS

Definitions.

Rule 101. (1) As used in these rules:

(a) "Act 249" means Act No. 249 of the Public Acts of 1986, as amended, being §299.371 et seq. of the Michigan Compiled Laws, and known as the clean Michigan fund act.

(b) "Act 328" means Act No. 328 of the Public Acts of 1988, being §291.671 et seq. of the Michigan Compiled Laws, and known as the environmental protection bond implementation act.

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(c) "Act 641" means Act No. 641 of the Public Acts of 1978, as amended, being §§299.401 et seq. of the Michigan Compiled Laws, and known as the solid waste management act.

(d) "Advisory panel" means the 11-member advisory panel established in section 20 of act 249.

(e) "Approved solid waste management plan" means a solid waste management plan or update that is submitted and approved by the department pursuant to sections 25 to 30 of act 641 and R 299.701 to R 299.711.

(f) "Clean Michigan community" means a project that incorporates recycling or composting, or both, into a communitywide demonstration project that will be a model to other communities.

(g) "Closure" means placing final cover on all open sections of a landfill or dump to meet the requirements of R 299.4305(9) and (10) and installing 4 monitoring wells at an unlicensed municipal landfill or dump that was operating on December 1, 1988.

(h) "Closure plan" means a document which is approved by the department and which describes how an unlicensed landfill or dump will achieve closure.

(i) "Composting project" means a project in which yard waste, including leaves, grass clippings, and brush, which may include vegetable food waste, excluding cooking oil, is converted into humus through natural biological processes.

(j) "Disposal area" means disposal area as defined in act 641.

(k) "Household hazardous waste" means household waste that would meet the definition of hazardous waste in the provisions of R 299.9202 to R 299.9204 if not specifically exempted by those rules and also means used motor oil from residential do-it-yourself oil changes.

(l) "Market development" means a project which utilizes proven technologies to increase the processing or utilization of waste that would otherwise be bound for landfills or solid waste incinerators in the manufacturing of products or means a project to market the products manufactured from the waste that would otherwise be bound for landfills or solid waste incineration.

(m) "Market development research and demonstration project" means a research and demonstration project that develops methodologies to increase the processing or utilization of waste bound for landfills or solid waste incinerators in the manufacturing of products or means a research and demonstration project for the marketing of products made from the wastes bound for landfills or solid waste incinerators.

(n) "Match" means the amount of eligible expenditures which is to be paid by the applicant and which is based on predetermined percentages set forth for a specific type of grant or loan pursuant to the provisions of rule 205.

(o) "Monitor well installation plan" means a document which is approved by the department and which describes how groundwater monitoring wells will be located and installed.

(p) "Recycling project" means a project in which material that would otherwise become solid waste is collected, separated, or processed into usable raw materials or products.

(q) "Refuse-derived fuel" means the fuel which is extracted from mixed solid waste and which is to be used for combustion processes.

(r) "Resource conservation and recovery act" means the solid waste disposal act of 1976, as amended, 42 U.S.C. §6901 et seq.

(s) "Resource recovery" means the collecting and processing of solid waste so as to produce materials or energy that may be used in manufacturing, agriculture, heat or electricity production, or other production processes or purposes designed to reuse materials or products or to conserve natural resources.

EMERGENCY RULES

(t) "Solid waste" means solid waste as defined in act 641.

(u) "Solid waste transfer station" means a solid waste transfer facility as defined in act 641.

(v) "Unlicensed" means a facility that was not issued an operating license pursuant to the provisions of act 641, or was not issued a renewal of an operating license pursuant to the provisions of act 641 by the director of the department after December 1, 1986.

(w) "Waste reduction research and demonstration project" means a research and demonstration project that results in the generation of less solid waste at the source before entering the waste stream.

(x) "Waste-to-energy project" means a project that is designed to recover energy through the combustion of solid waste or tires.

(2) A term defined in act 328 has the same meaning when used in these rules.

PART 2. GENERAL ELIGIBILITY

Applicant; compliance with Act 328.

Rule 201. An applicant for a grant or a loan shall comply with the provisions of sections 10 and 11 of act 328.

Applicant; eligible entities.

Rule 202. An applicant for a grant or a loan shall be a local unit of government or a private entity.

Location of proposed projects.

Rule 203. A proposed project, except for landfill dump closures, shall be located in a Michigan county that has an approved solid waste management plan.

Proposed projects; consistency with county solid waste management plan.

Rule 204. Proposed projects, except for landfill dump closures, shall be consistent with the approved county solid waste management plan for the county in which the project is located. Consistency shall be evidenced by a letter from the authorized solid waste planning agency.

Applicant match.

Rule 205. (1) An applicant for a grant or a loan shall agree to provide the match for the grant or loan as required in this rule.

(2) Match for grants is as follows:

(a) Composting and recycling match is 25%.

(b) Household hazardous waste center match is 25%.

(c) Landfill dump closure match is 25%.

(d) Transfer station match is 25%.

(e) Resource recovery education match is 25%.

(f) Market development project match is 25%.

(g) Market development research and demonstration project match is 15%.

(h) Waste reduction research and demonstration project match is 15%.

(i) A clean Michigan community program grant requires no match.

(3) A 10% match shall be required for all loans except waste-to-energy project loans.

Application.

Rule 206. An applicant for a grant or a loan shall provide a complete application on forms provided by the commission.

Documentation of ability to repay loan.

Rule 207. A loan applicant shall document the financial ability to repay the loan.

Documentation of resources.

Rule 208. An applicant shall provide documentation of adequate resources to implement and provide for maintenance and future operation of recycling, composting, market development, waste to energy, household hazardous waste centers, and transfer station projects for 5 years after the expiration of the project contract, including all of the following:

- (a) Monetary resources.
- (b) Land, buildings, or equipment.
- (c) Insurance coverage.
- (d) Support services.
- (e) Personnel.
- (f) Volunteers.

Eligible projects.

Rule 209. Only new projects or those portions of projects that have not received previous funding through act 249, act 328, or other solid waste or resource recovery grant or loan programs are eligible for grants or loans.

Documentation of commitment of funds for project cost overruns.

Rule 210. An applicant for a grant or a loan shall provide documentation of commitment of funds for project cost overruns.

Failure to provide documentation; effect.

Rule 211. An applicant who does not provide documentation to show that the applicant satisfies the requirements of rule 201 to rule 210 shall be rejected and will not be considered for grant or loan funding.

Ineligible items.

Rule 212. All of the following are ineligible items for all grant or loan categories of these rules:

- (a) Grant or loan administration cost.
- (b) Taxes.
- (c) Fees.
- (d) Licenses or permits.
- (e) Vehicle registration.
- (f) Indirect or overhead expenses.
- (g) Office equipment.
- (h) Contingency funds.
- (i) Legal costs.
- (j) Land acquisition.

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PART 3. APPLICATIONS

Application categories.

Rule 301. (1) An application for a grant or a loan may be submitted for any of the following categories:

- (a) Composting and recycling, including the subcategory, clean Michigan community.
- (b) Market development.
- (c) Market development research and demonstration.
- (d) Waste reduction research and demonstration.
- (e) Household hazardous waste centers.
- (f) Resource recovery education.
- (g) Waste to energy.
- (h) Transfer stations.
- (i) Landfill dump closures.

(2) An application shall be submitted by the deadline established by the department to be eligible for funding.

(3) Application materials that are submitted after the deadline shall not be considered in the evaluation of the application.

Application content.

Rule 302. (1) An applicant shall provide a complete application on forms provided by the commission. An application for any category, except for landfill dump closures and clean Michigan community grants, shall include all of the following items:

- (a) Documentation that the applicant meets the requirements of part 2 of these rules.
- (b) A summary of the proposed project.
- (c) A description of current solid waste management practices of the area to be served by the proposed project, including information on resource recovery projects, transfer stations, and licensed landfill capacity.
- (d) A description of the experience or ability of the applicant to work with adjacent local units of government on alternative resource recovery projects, such as the development of a regional resource recovery organization, jointly sponsored resource recovery initiatives, or regional materials marketing strategies.
- (e) The experience of the applicant related to the type of project proposed.
- (f) A feasibility study or other data that supports economic viability, technical feasibility, and need for project initiation or expansion.
- (g) A detailed project description and goals, including all of the following:
 - (i) Specifications of equipment and structures relative to the project needs.
 - (ii) The projected staffing needs of the project and details on how the staffing needs and costs will be met.
 - (iii) A grant or loan budget that is itemized to show the total budget of eligible items only. Budget items shall include projected costs of equipment, structures, or other eligible expenditures of the project as documented through written quotations or bids.
 - (iv) The rationale for expenditures relative to each item in the grant or loan budget.
 - (v) A project implementation timetable that shows all key actions and dates.
 - (h) The business and accounting plans for the proposed project.
 - (i) Proof of ownership or land use arrangements for the project site or sites.
 - (j) Documentation that shows a commitment for the match, if applicable.
 - (k) A mechanism for the review of project progress, task implementation, and project completion in accordance with the proposed project timetable.
 - (l) A detailed method for quantitatively measuring the success of the project.

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(m) A description of previously secured grant or loan amounts received by the applicant through act 249, act 328, the public service commission resource recovery demonstration grant, or other grants or loans for programs or projects related to solid waste or resource recovery, including all of the following information:

- (i) The name of the grant or loan program providing funding.
 - (ii) The name of the agency sponsoring the grant or loan program.
 - (iii) Accomplishments of the program funded compared to the goals of the program funded.
 - (iv) Differences in the proposed project and the previously funded project.
 - (n) Information on current procedures or programs operated by the applicant to purchase recycled products or materials or to recycle any materials.
- (2) Landfill dump closure applications shall include the items listed in subrule (1)(g) to (k) and (m) of this rule.
- (3) Clean Michigan community applications shall include the listed items in subrule (1)(a), (c) to (f), (m), and (n) of this rule.

PART 4. RESOURCE RECOVERY PROJECT CATEGORIES

Recycling and composting projects.

Rule 401. (1) Individual recycling projects may be funded up to a maximum of \$500,000.00 per project for grants and up to a maximum of \$1,000,000.00 for loans.

(2) Individual composting projects may be funded up to a maximum of \$250,000.00 per project for grants and up to a maximum of \$500,000.00 per project for loans.

(3) To be eligible for a recycling or composting project grant or loan, an applicant shall submit information in the application that documents all of the following:

- (a) The availability of material to be recycled or composted.
- (b) The need for a new or expanded recycling or composting program in the area to be served, with information to show that the material to be collected or processed is not recovered presently and would not be recovered but for the proposed project.
- (c) The availability of existing or new markets to use the recycled or composted material without displacing existing resource recovery operations in the project area to be served.
- (d) The type and amount of the waste stream that is projected to be diverted from the landfill or the solid waste incinerator, or both.
- (e) The method used to determine the amount of material diverted.
- (f) The interest of local municipalities, businesses, community groups, volunteers, or other affected parties to undertake, support, and participate in the project.
- (g) How soon the project will impact the waste stream of the affected area.
- (h) The potential of the project to be replicated in similar areas of the state or to serve as a model to other communities or municipalities.
- (i) That services proposed are not available from existing entities at rates that encourage the recovery of materials that are not currently being recovered.

(4) All of the following are eligible funding items for recycling and composting grants or loans:

- (a) Structures.
- (b) Equipment costs, including installation, freight, and preparation of equipment directly related to specific project needs.
- (c) Materials and supplies directly related to the project, excluding office supplies.

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(d) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the project cost or a maximum of \$10,000.00 whichever is less.

Clean Michigan community projects.

Rule 402. (1) Clean Michigan community projects shall be implemented to build acceptance of recycling or composting, or both, as community waste management options.

(2) A consultant for a clean Michigan community program shall be a private entity determined by a joint committee made up of a representative from the local unit of government selected to receive a clean Michigan community grant and 2 representatives of the department.

(3) All funding for clean Michigan community projects shall be grants.

(4) An applicant for a clean Michigan community grant shall be a local unit of government. The local unit of government may contract with a private entity to carry out all or any portion of the project.

(5) To be eligible for funding for a clean Michigan community project, an applicant shall, as part of the applicant's application, submit a resolution that commits the local unit of government to do all of the following:

(a) If not already in place, enact local ordinances or formal policies that require all of the following:

(i) Procurement of recycled materials and products by specific dates, including target levels for purchasing re-refined oil, retreaded tires, recycled paper, plastic, glass, aluminum, or compost.

(ii) Mandatory separation of waste materials for recycling.

(iii) A prohibition on the burning of leaves and yard waste in conjunction with the development of a composting program.

(iv) A ban on landfilling leaves and yard waste in conjunction with the development of a composting program.

(v) A prohibition on the scavenging of recyclable material.

(b) Develop a comprehensive public education and participation program to promote citizen participation in the separation of material, and provide documentation on how this will be achieved.

(c) Serve as a model community and keep records on all of the following:

(i) Program development.

(ii) Amounts of material recovered.

(iii) Costs associated with the program.

(d) Develop a plan, for approval by the department, for sharing the information specified in subdivision (c) of this subrule with others through tours, newsletters, conference or workshop participation, summary reports, and other methods.

(e) Coordinate with haulers recyclers, brokers, and others involved in existing programs to document the extent to which they are willing to support and participate in the project.

(f) Establish and formalize graduated phased-in participation and targeted diversion goals.

(g) Work closely with the department and the consultant on program development, implementation, and assistance in testing and evaluating various aspects of the program, including all of the following:

(i) Economic incentives to participants and employees.

(ii) Efficiencies of specific equipment.

(iii) Cost effectiveness of curbside collection and the impact of using different types of containers or collection vehicles.

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(6) In considering grant applications, the department shall attempt to distribute clean Michigan community grants to local units of government such that not more than 2 grants are provided to each group of the following local units of government:

- (a) Small, less than 7,500 people.
- (b) Medium, from 7,500 to 50,000 people.
- (c) Large, over 50,000 people.

(7) All of the following are eligible budget items for clean Michigan community grants or loans:

- (a) Structures.
- (b) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.
- (c) Materials and supplies directly related to the project, excluding office supplies.
- (d) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the project cost.

(8) A recipient of clean Michigan community funds shall enact the ordinances or formal policies required in subrule (5) of this rule and negotiate project details with the department before the department issues the project contract.

(9) A consultant for the clean Michigan communities shall be responsible for designing, assisting in the implementation of, monitoring, and the performance evaluation of, the clean Michigan community project. The consultant fees for the clean Michigan community program shall be paid by the department from the fund created by section 6 of act 328. The consultant fees shall not be more than 10% of the total amount of funding for the clean Michigan community projects.

Household hazardous waste center projects.

Rule 403. (1) Household hazardous waste grants or loans shall be used to establish centers for the long-term, ongoing diversion of household hazardous waste from disposal at solid waste incinerators and landfills.

(2) The amount of a grant for a household hazardous waste center shall not be more than \$100,000.00.

(3) The amount of a loan for a household hazardous waste center shall not be more than \$150,000.00.

(4) Grants and loans for a household hazardous waste collection center may extend over a 3-year time period.

(5) A household hazardous waste center that is funded by a grant or loan shall accept household hazardous waste from residents of the proposed service area.

(6) To be eligible for a household hazardous waste center grant or loan, an applicant shall submit all of the following information in the application:

(a) Detailed project site information that addresses the proximity of population centers and the design layout of loading and unloading area.

(b) Detailed information on the facility including all of the following information:

(i) Areas for sorting and packaging waste and materials.

(ii) Areas for the storage of waste and materials.

(iii) Ventilation.

(iv) Equipment, including materials needed to respond to on-site spills.

(v) Emergency equipment and training for personnel.

(vi) Fencing.

(vii) Secondary containment.

(c) A description of personnel included in operating expenses, including personnel duties and training relative to toxicity and chemical hazards.

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- (d) All of the following information on waste handling and disposal:
 - (i) The amounts and types of waste to be stored and how it will be packaged for storage.
 - (ii) The procedure for identifying and storing different types of waste that may cause undesirable chemical or physical effects when stored together.
 - (iii) The length of time waste is projected to be stored.
 - (iv) Plans for locating legal waste exchange, recycling options, or other alternative uses for material collected at the center.
 - (v) Transportation arrangements, both incoming and outgoing.
 - (vi) The procedures for handling and testing unidentified waste.
 - (vii) The final disposition of material and waste.
 - (viii) The frequency of shipments of waste from the facility.
 - (e) Information relative to both of the following concerns:
 - (i) A plan for notifying local emergency contacts when a center opens or when spills or other emergencies occur.
 - (ii) Efforts to be undertaken to locate a local long-term, ongoing funding mechanism for the facility.
 - (f) A detailed plan for education activities to promote the center to assure participation.
 - (g) A plan for data collection at the center, including all of the following information:
 - (i) The number of people who participate.
 - (ii) The amounts and types of waste handled.
 - (iii) Reuse, recycling, and disposal methods used, indicating the amounts and types of waste used by each option.
 - (iv) The costs of operating the facility.
 - (h) Plans for educating participants about safety, handling, and concerns of the material before bringing it to the center.
 - (i) Plans for educating potential participants on how household hazardous waste affects landfill and incinerator programs.
- (7) All of the following are eligible budget items for household waste centers:
- (a) Structures.
 - (b) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.
 - (c) Materials and supplies related to the project, excluding office supplies.
 - (d) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the project cost or a maximum of \$10,000.00, whichever is less.
 - (e) Operating expenses, including the costs of transporting and disposing of household hazardous waste and the costs of locating or organizing legal reuse alternatives for materials accepted by the program.
- (8) Recipients of a household hazardous waste center grant or loan shall do all of the following:
- (a) Ensure that all household hazardous waste to be disposed of is transported to a treatment, storage, or disposal facility by a transporter that is licensed under the provisions of Act No. 64 of the Public Acts of 1979, as amended, being §299.501 et seq. of the Michigan Compiled Laws, and Act No. 136 of the Public Acts of 1969, as amended, being §323.271 et seq. of the Michigan Compiled Laws.
 - (b) Ensure that all household hazardous waste to be disposed of is processed at a treatment or disposal facility that is authorized to operate under Act No. 64 of the Public Acts of 1979, as amended, being §299.501 et seq. of the Michigan Compiled Laws or the resource conservation and recovery act.

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(c) Provide documentation that household hazardous wastes collected were disposed of at a state or federal licensed hazardous waste treatment, storage, or disposal facility.

(9) Recipients of a household hazardous waste center grant or loan shall not do any of the following:

(a) Mix, combine, or commingle household hazardous wastes or unidentified wastes, or any combination thereof, at the collection site unless specifically approved in writing by the state.

(b) Accept any regulated hazardous wastes or spend grant or loan funds for the treatment, storage, or disposal of such wastes.

(c) Spend grant or loan funds for the disposal of materials collected which do not meet the definition of household hazardous waste or which pose no threat to the environment.

Resource recovery education projects.

Rule 404. (1) Grants or loans for resource recovery education projects shall be provided to promote local resource recovery initiatives by private entities and local units of government.

(2) A resource recovery education project grant shall not be more than \$50,000.00.

(3) A resource recovery education project loan shall not be more than \$100,000.00.

(4) A resource recovery educational project shall directly promote the use of an existing or planned local resource recovery program.

(5) To be eligible for a resource recovery education grant or loan, an applicant shall provide all of the following information in the applicant's application:

(a) The name of the local resource recovery project that the program will promote.

(b) A written statement of interest or support, or both, from the local resource recovery project.

(c) Detailed plans for project evaluation and follow-up.

(6) Both of the following are eligible budget items for resource recovery education projects:

(a) Materials and supplies related to the project, excluding office supplies.

(b) Operating expenses.

Market development projects.

Rule 405. (1) A market development project is limited to a maximum of \$5,000,000.00 for either a grant or a loan.

(2) To be eligible for market development funding, an applicant shall provide all of the following information with the applicant's application:

(a) Documentation that the project is beyond the research stage and that a demonstration has indicated it is technically feasible for full-scale operation.

(b) Letters of intent from end users or purchasers of the recovered material or recycled products that indicate specific quantities the end users or purchasers intend to purchase or use, or both.

(c) A comprehensive marketing plan that is developed to promote the sale of the product made from waste material bound for landfills or solid waste incinerators.

(d) The amount of the waste stream that is projected to be diverted from the landfill or the solid waste incinerator, or both.

(e) The method used to determine the amount of material diverted from the landfill or the solid waste incinerator, or both.

(f) An estimate of the jobs created by the project, including all of the following information for each job:

(i) Type of job.

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(ii) Salary.

(iii) Whether temporary or long-term.

(iv) Whether part-time or full-time.

(g) A demonstration that services proposed are not available from existing entities at rates that encourage the recovery of materials that are not currently being recovered.

(3) Grants or loans for market development shall not be used to prepare material for use as refuse derived fuel or waste-to-energy fuel.

(4) All of the following are eligible budget items for market development grants or loans:

(a) Structures.

(b) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.

(c) Materials and supplies, excluding office supplies related to the project.

(d) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the project cost or a maximum of \$10,000.00, whichever is less.

Market development research and demonstration projects.

Rule 406. (1) A market development research and demonstration project is limited to a maximum of \$250,000.00 for a grant or \$500,000.00 for a loan.

(2) To be eligible for grants or loans for market development research and demonstration projects, an applicant shall submit both of the following in the applicant's application:

(a) Information on the qualifications or prior experience of the applicant related to the project or to the ability to conduct a research and demonstration project.

(b) A documented commitment to ensure that all of the following will be provided to the department:

(i) An economic analysis of the viability of the project results for use by others.

(ii) Information on the type of private entities or local units of government that may be able to utilize the new technology, information or other findings of the project.

(iii) A detailed description of the potential effect of the research and demonstration project on market development.

(iv) A plan to share the results, the research, or the information on the effectiveness of the demonstration with others through tours, articles, summary reports, and other methods.

(3) Grants or loans for market development research and demonstration shall not be used to prepare material for use as refuse-derived fuel or waste-to-energy fuel.

(4) All of the following are eligible budget items for market development research and demonstration grants or loans:

(a) Structures.

(b) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.

(c) Materials and supplies, excluding office supplies related to the project.

(d) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the project cost or a maximum of \$10,000.00, whichever is less.

(e) Operating expenses.

Waste reduction research and demonstration projects.

Rule 407. (1) A waste reduction research and demonstration project is limited to a maximum of \$250,000.00 for a grant or \$500,000.00 for a loan.

(2) To be eligible for grants or loans for a waste reduction research or demonstration project, an applicant shall submit all of the following with the applicant's application:

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- (a) A detailed schematic layout of the process or equipment, or both, if appropriate.
- (b) Information on the qualifications or prior experience of the applicant related to the project or to the ability to conduct a research or demonstration project.
- (c) A documented commitment to ensure that all of the following information will be provided to the department:
 - (i) A detailed description of the technology or process developed, including the type of waste, the amount of waste reduction realized by the project, or the projected waste reduction to be realized by project implementation.
 - (ii) An economic analysis of the viability of the technology or process for use by others.
 - (iii) Information on the type of private entities or local units of government that may be able to utilize a similar technology or process.
 - (iv) A plan to share the information with others through tours, articles, summary reports, and other methods.
- (3) All of the following are eligible budget items for waste reduction research and demonstration grants or loans:
 - (a) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.
 - (b) Materials and supplies related to the project, excluding office supplies.
 - (c) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the project cost or a maximum of \$10,000.00, whichever is less.
 - (d) Operating expenses.

Waste-to-energy projects.

- Rule 408. (1) Funding for projects associated with waste-to-energy incinerators shall be utilized only for 1 or more of the following purposes:
- (a) To divert recyclable material from incineration into a recycling program.
 - (b) To divert yard waste from incineration into a composting program.
 - (c) To divert household hazardous waste from incineration into a hazardous waste recycling, treatment, or disposal program.
- (2) Only waste-to-energy projects that have in-place programs pursuant to the provisions of subrule (1) of this rule or waste-to-energy projects that have in-place programs that meet the same goals of programs pursuant to the provisions of subrule (1) of this rule shall be eligible to receive a grant or a loan for either or both of the following:
- (a) Air pollution control equipment.
 - (b) Ash reuse or recycling.
- (3) Grants or loans made pursuant to subrule (1) of this rule shall not be used to prepare material for use as refuse-derived fuel or waste-to-energy fuel.
- (4) The total of all grants or loans funded for waste-to-energy projects shall not be more than \$15,000,000.00.
- (5) The amount of a grant or loan for programs related to a specific waste-to-energy project shall not be more than \$5,000,000.00 or 25% of the total project cost, whichever is less.
- (6) To be eligible for a grant or loan for projects related to a waste-to-energy facility, an applicant shall provide documentation to show 1 of the following in the applicant's application:
- (a) An executed power purchase agreement with a public utility.
 - (b) An agreement to use or sell the energy products for space heating, industrial process heating, or a municipal district heating and cooling system.

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(c) Agreements to use the energy products in any combination of uses specified in subdivision (a) or (b) of this subrule.

(7) To be eligible for funding for waste-to-energy projects, an applicant shall provide all of the following information:

(a) Details about the ownership of the land and the facility.

(b) Details about the operator of the facility.

(c) Information about the source of financing.

(d) The extent to which composting, recycling, and household hazardous waste collection are currently implemented in the community.

(e) For waste-to-energy proposals pursuant to the provisions of subrule (1)(a) and (b) of this rule, an applicant shall include information that is required in the composting and recycling grant application pursuant to the provisions of rule 401.

(f) Specific information on the waste-to-energy incinerator, including, at a minimum, the type, cost, and capacity in tons per day.

(g) Information on the air pollution control equipment.

(h) The estimated tipping fees to be charged at the incinerator.

(i) The projected energy output and use of the energy products.

(j) The projected volume reduction of waste that is processed.

(k) Documentation of waste flow commitments.

(l) Details on handling, and the final disposal of, ash.

(8) All of the following are eligible budget items for waste-to-energy projects:

(a) Structures.

(b) Equipment costs, including installation, freight, and the preparation of equipment directly related to specific project needs.

(c) Materials and supplies related to the project, excluding office supplies.

(d) Materials and production costs, excluding personnel costs, for promotional programs related to the project. Such costs shall not be more than 10% of the project cost or a maximum of \$10,000.00, whichever is less.

PART 5. LANDFILL DUMP CLOSURE AND TRANSFER STATIONS

Funding maximum.

Rule 501. Individual landfill dump closure grants or loans may be funded to a maximum of \$600,000.00.

Provision of schedule and plans to department; contract.

Rule 502. (1) A landfill dump closure grant award recipient shall provide the department all of the following as part of the contract, within 60 days of a contract being issued by the department:

(a) A schedule of closure.

(b) A detailed closure plan, including engineering plans and specifications for a landfill cap that meets the specifications of R 299.4305(9) and (10).

(c) A monitor well installation plan.

(2) If a contract is not submitted within 60 days, the grant award is rescinded.

(3) The department shall review and approve or disapprove a contract within 30 days of receipt of the contract.

(4) If a contract is disapproved, it shall be sent back to the recipient, together with the reasons for disapproval. A recipient shall have 30 days to make corrections and resubmit the contract.

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(5) If a corrected contract is not resubmitted within 30 days or cannot be approved after resubmittal, the grant award will be rescinded.

Contract requirements.

Rule 503. In addition to the general conditions required pursuant to the provisions of rule 615, a contract that is issued to a grant or loan recipient for landfill dump closure shall require the recipient to do all of the following:

- (a) Close the landfill or dump consistent with the closure plan within 1 year of signing a grant contract.
- (b) Install 4 monitoring wells consistent with the monitoring well installation plan within 1 year of signing a grant contract.
- (c) Agree to provide access to the state or its contractors for the purpose of performing work, as appropriate, to the site.
- (d) Stipulate that the applicant has the sole responsibility for any contamination problems found at the site.

Application deadline.

Rule 504. A landfill dump closure grant or loan application shall not be accepted after October 15, 1989.

Eligibility.

Rule 505. To be eligible for a landfill dump closure grant or loan, an applicant shall comply with the following requirements:

- (a) Be a local unit of government that owns or operates an unlicensed landfill or dump which was operating on December 1, 1988.
- (b) Submit all of the following information in the applicant's application:
 - (i) The size in acres of the dump or landfill.
 - (ii) The amount of waste currently received by the facility.
 - (iii) A description of the recycling, disposal, or other alternatives to be used for waste materials that currently go to the dump or landfill.

Eligible budget items.

Rule 506. (1) Costs directly attributable to proper closing are eligible budget items for a landfill dump closure grant or loan and include all of the following:

- (a) The grading, sloping, and contouring of fill surfaces.
 - (b) The transportation and placement of synthetic or clay cover material.
 - (c) The seeding and stabilization of completed cap.
 - (d) The installation of methane vents.
 - (e) Monitoring well installation plan development and installation of not more than 4 monitoring wells.
 - (f) Engineering support limited to 10% of the grant or loan award.
 - (g) Fencing to insure site security.
- (2) All of the following are ineligible costs for landfill dump closure grants or loans:
- (a) Thirty-year, post-closure monitoring.
 - (b) Leachate collection systems.
 - (c) Treatment systems.
 - (d) Purge wells.
 - (e) Slurry walls.

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(3) For landfill dump closure grants or loans, eligible expenditures for engineering costs up to 10% of the grant or loan made after the date of the award shall be reimbursed. Expenditures beyond 10% of the grant or loan award shall be reimbursed only if such expenditures are made while the grant or loan contract is in effect.

Funding for transfer station projects to be used for costs of construction.

Rule 507. Funding for transfer station projects shall be used for the costs of construction.

Total funding for transfer station grants or loans.

Rule 508. The total funding for transfer station grants or loans shall not be more than \$8,400,000.00.

Funding limits for individual transfer station projects.

Rule 509. Individual transfer station projects may be funded up to a maximum of \$200,000.00 for grants and up to \$500,000.00 for loans.

Eligibility for transfer station grants or loans.

Rule 510. To be eligible for transfer station grants or loans, an applicant shall submit all of the following in the applicant's application:

(a) Information on each landfill or dump that is closed or is expected to close within the next year in the area to be served, including all of the following information:

- (i) The name of the landfill or dump.
- (ii) The location of the landfill or dump.
- (iii) The size of the landfill or dump.
- (iv) The amount of waste received per time period.
- (v) The identity of the owner or operator of each landfill or dump.

(b) A commitment for incorporating recycling into the transfer station operations.

(c) A documented commitment to only dispose of collected waste at a disposal area licensed pursuant to the provisions of act 641.

(d) The name and location of the licensed act 641 disposal area to be used.

(e) Documentation that both the waste shipping and receiving counties approve the transfer of this waste in their respective act 641 plans.

(f) Documentation of the private sector's lack of interest to provide service at a competitive rate.

Transfer station application rank.

Rule 511. A transfer station project application to serve an area where a landfill or dump is closed shall be ranked higher than an application for another transfer station.

Eligible costs for transfer station projects.

Rule 512. All of the following are eligible costs for transfer station projects:

(a) Building construction, including materials and labor.

(b) Paving.

(c) Fencing.

(d) Equipment to be used on-site, such as a compactor, hopper, scales, or crane.

(e) Rolling stock, such as trailers, roll-off units, and tractors. Tractors are eligible only if the private sector is not available to provide hauling services.

(f) Necessary engineering expenses that are not more than 10% of the grant or loan.

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Transfer station contract.

Rule 513. In addition to the general conditions required pursuant to the provisions of rule 615, a contract that is issued to a grant or loan recipient for a transfer station shall require that the grant or loan be forfeited and immediately repaid to the state if waste collected is disposed of at any location other than a disposal facility licensed pursuant to the provisions of act 641.

PART 6. SOLID WASTE PROGRAM ADMINISTRATION

Application time schedules.

Rule 601. The department shall establish time schedules for the submittal and processing of applications for solid waste grants and loans.

Evaluation and ranking of applications.

Rule 602. (1) The department shall provide, to the advisory panel, evaluations and rankings for the eligible applications in each of the following categories:

- (a) Recycling and composting, including clean Michigan community.
- (b) Market development.
- (c) Market development research and demonstration.
- (d) Waste reduction research and demonstration.
- (e) Household hazardous waste centers.
- (f) Resource recovery education.
- (g) Waste to energy.

(2) Department staff shall evaluate and rank applications by category using all of the following criteria:

- (a) Applicant documentation of eligibility pursuant to part 2 of these rules.
- (b) Information requested in part 3 of these rules.
- (c) Information requested in the specific grant or loan category of part 4 of these rules.

Advisory panel; recommendations.

Rule 603. (1) The advisory panel shall make recommendations to the commission for grant and loan awards in the categories specified in rule 602 to private entities and local units of government based on all of the following criteria:

- (a) Application evaluations and rankings by the department.
- (b) Geographical distribution of recommended recipients throughout the state.
- (c) Goals of the state solid waste management policy and the solid waste implementation plan.
- (d) The priority of grant and loan categories as determined by the commission.

(2) The advisory panel shall assure that funding for projects recommended to the commission does not result in total grant or loan award amounts of more than \$15,000,000.00 for waste-to-energy project grants or loans.

(3) Recommendations of the advisory panel may result in a waste-to-energy grant or loan award that is less than the amount of funding requested in the application to prevent exceeding the \$15,000,000.00 maximum of that grant or loan category.

(4) The recommendations of the advisory panel shall be forwarded to the commission.

EMERGENCY RULES

Determination of landfill or dump closure grant or loan applications; list.

Rule 604. The department shall determine the eligible landfill or dump closure grant or loan applications and forward a list to the commission.

Evaluation of eligible transfer stations; list.

Rule 605. The department shall evaluate the eligible transfer stations and forward a prioritized list to the commission.

Transfer station grant or loan reduction.

Rule 606. The department may recommend a reduction in the amount of a transfer station grant or loan if necessary to remain within the total maximum of \$8,400,000.00 for transfer station funding.

Determination of final grant or loan recipients for landfill or dump closures and transfer stations.

Rule 607. The commission shall determine the final grant or loan recipients for landfill or dump closures and transfer stations.

Provision of grants and loans list to legislature.

Rule 608. The commission shall forward the list of approved grants and loans from all categories to the legislature.

Reasons for denial of funding.

Rule 609. Grant or loan applications may be denied funding for any of the following reasons:

(a) An applicant does not meet eligibility requirements pursuant to the provisions of rules 201 to 210.

(b) An applicant does not submit sufficient information requested pursuant to the provisions of part 3, 4, or 5 of these rules as applicable.

(c) Proposed budget costs are not justified or not in line with the size and scope of the project.

(d) Project goals or scope, or both, are not consistent with the solid waste policy or the solid waste policy implementation plan.

(e) An applicant has previously received state funds for the same project.

(f) An application is submitted for a specific grant or loan category that is not intended to fund the type of project described in the application.

(g) An applicant failed to meet the terms and conditions of a previous grant or loan contract under these rules or the grant contract of act 249.

(h) The proposed project is similar to an existing project which is in the area to be served and which has an underutilized capacity.

(i) The proposed project is similar to a previously funded project that proved to be unsuccessful.

Distribution of funding on cost reimbursement basis.

Rule 610. After legislative appropriation of funding for solid waste grants and loans, the department shall distribute the funding to grant or loan recipients on a cost reimbursement basis.

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Grant or loan advances.

Rule 611. (1) A grant or loan recipient that is a local unit of government or a private nonprofit entity may request an advance for up to 25% of the grant or loan award by forwarding a letter to the department which specifies all of the following:

- (a) The specific project.
- (b) The amount requested in advance.
- (c) Why the advance is needed.
- (d) Exactly how the funds will be spent.

(2) The department may grant an advance to a grant or loan recipient that is a local unit of government or a private nonprofit entity if, in the judgment of the department, the need for advance funding is justified and properly documented.

(3) Advanced funds shall be expended only for eligible grant or loan project items that are authorized by the department.

(4) A detailed accounting of advanced fund expenditures by the applicant shall be provided to the department, if requested.

(5) A written authorization for an advance payment from a grant or loan shall become an enforceable part of the contract that is issued to the recipient pursuant to the provisions of rules 614 and 615.

Expenditure of project cost savings.

Rule 612. (1) Project cost savings from one area of the grant or loan may be expended on other eligible project costs that are identified in the application or on new eligible project costs.

(2) Before making expenditures pursuant to subrule (1) of this rule, the grant or loan recipient shall receive written authorization from the department.

Withholding of part of grant or loan.

Rule 613. The department shall hold back 10% of each grant or loan until the terms and conditions of the project contract have been met.

Predistribution of funds requirements.

Rule 614. Before distribution of funds awarded to an applicant, the grant or loan recipient shall do both of the following:

- (a) Obtain all permits required by state law.
- (b) Sign a contract issued by the department.

Contracts; signing and submittal; contents.

Rule 615. (1) Grant or loan contracts for all categories, except landfill dump closures, shall be signed by the recipient within 90 days of contract issuance by the department or be subject to forfeiture. Landfill dump closure contracts shall be signed and submitted in accordance with the provisions of rule 502.

(2) A project contract shall, at a minimum, contain all of the following provisions:

- (a) The time period allowed for project completion.
- (b) Project cost overruns are the sole responsibility of the grant or loan recipient.
- (c) Structures or items purchased with grant or loan funds shall be used exclusively for the purposes specified in the contract for the life of the item.

(d) The recipient shall not sell, trade, give away, or otherwise dispose of the items or structures without prior authorization of the department for a period of 5 years after the expiration of the contract.

EMERGENCY RULES

(e) Failure of the grant or loan recipient to comply with the provisions of subdivision (c) or (d) of this subrule shall result in the transfer of ownership of the items originally purchased with grant or loan funds from the recipient to the department.

(f) A grant or loan recipient who had purchased or constructed a structure and fails to comply with the provisions of subdivision (c) or (d) of this subrule shall refund the amount of the grant or loan expended on the purchase or construction of the structure to the fund created by section 6 of act 328.

(g) A recipient shall obtain written department authorization before implementing changes in the project.

(h) Michigan recyclable material, if available, shall not be displaced by out-of-state recyclable material in the resource recovery project.

(i) A grant or loan recipient shall not construct or operate an unlicensed disposal area.

(j) False or fraudulent information provided by a recipient or a violation of the terms or conditions of the contract shall result in termination of the contract by the department.

(k) A grant or loan recipient whose contract is terminated shall repay to the state all funds received for the project. Money refunded to the state pursuant to this rule shall be placed in the environmental protection bond fund created in section 6 of act 328.

(3) A grant or loan application shall be included as part of the executed contract between the recipient and the department.

Recipient compliance with section 12 of Act 328.

Rule 616. Grant and loan recipients are subject to the provisions of section 12 of act 328.

Interest on outstanding debt.

Rule 617. All loan recipients shall pay 5% interest annually on the outstanding debt.

Term of loan.

Rule 618. The term of a loan shall not be more than 10 years or the life expectancy of the items purchased or structures built as part of the project, whichever is shorter.

Combining of grant and loan disallowed.

Rule 619. A combination of a grant and a loan shall not be allowed for a specific project.

Project progress reporting and payment requests; forms.

Rule 620. Grant and loan recipients shall use forms provided by the department for project progress reporting and payment requests.

Reimbursement for eligible grant or loan expenditures.

Rule 621. (1) To receive reimbursement of the state share of eligible grant or loan expenditures, recipients shall submit supporting documentation of eligible expenditures paid to date by the recipient. A narrative description of the project progress shall be submitted with each payment request. Payment requests shall be submitted on a quarterly basis or when the payment request is more than 25% of the grant or loan amount.

(2) Payment requests shall be approved by the department before the distribution of funds.

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(3) The department reserves the right to make site inspections before approving a payment request.

Project summaries.

Rule 622. (1) Each recipient of a solid waste grant or loan shall complete and submit to the department a project summary on a form developed by the department.

(2) Project summaries are due within 3 months after the project completion date as identified in the grant or loan project contract and annually for the following 3 years.

(3) A recipient who fails to submit any project summary as required shall not be eligible to be a future recipient of the grants or loans authorized pursuant to the provisions of act 328.

(4) A project summary shall include all of the following information and documents:

(a) The name, address, and telephone number of the recipient.

(b) The name of the project.

(c) The amount of money received and how it was spent.

(d) The county in which the project is located.

(e) A comparison of projected goals with accomplishments.

(f) The amounts and types of materials recovered or processed as a result of the grant or loan, if applicable.

(g) A brief summary of the activities and accomplishments of the project.

(h) An analysis of the factors affecting the feasibility and economy of others to use the process or equipment used in the project.

(i) A copy of all studies, documents, audiovisual materials; or promotional materials produced as part of the project.

PART 7. STATE SOLID WASTE PROJECTS

Identifying projects; department recommendation of methods and cost estimate for accomplishing project goals; provision of project information to legislature; oversight responsibilities; annual report.

Rule 701. (1) The department may identify projects that have the potential to affect the solid waste management needs of the entire state or a significant portion of the state:

(2) For projects identified by the department pursuant to subrule (1) of this rule, the department shall recommend methods and cost estimates for accomplishing project goals to the commission for approval.

(3) Information on projects approved by the commission shall be forwarded to the legislature for funding appropriations from the fund created in section 6 of act 328.

(4) The department shall have oversight responsibilities for state projects and shall provide a written report annually to the commission on the status of each state project funded during the preceding year.

Appendix D

Act No. 249
Public Acts of 1986
Approved by the Governor
December 4, 1986
Filed with the Secretary of State
December 4, 1986

**STATE OF MICHIGAN
83RD LEGISLATURE
REGULAR SESSION OF 1986**

Introduced by Reps. Scott, Cherry, Perry Bullard, Bartnik, Brown, Kosteva, Emerson, Mathieu, Porreca, Berman, Koivisto and Gagliardi

ENROLLED HOUSE BILL No. 4490

AN ACT to develop new systems for processing and disposing of solid waste; to finance closure of open dumps and landfills; to fund capital investment in solid waste processing and disposal facilities such as transfer stations, recycling, waste-to-energy facilities, and composting facilities; to fund feasibility studies of recycling, composting, and waste-to-energy facilities; to fund education, research, and marketing studies; to establish an advisory panel; to provide the powers and duties of the commission on natural resources and the department of natural resources; and to repeal certain acts and parts of acts on specific dates.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the "clean Michigan fund act".

Sec. 2. For purposes of this act, the words and phrases defined in sections 3 and 4 have the meanings ascribed to them in those sections.

Sec. 3. (1) "Approved solid waste management plan" means a solid waste management plan submitted and approved under the solid waste management act, Act No. 641 of the Public Acts of 1978, being sections 299.401 to 299.437 of the Michigan Compiled Laws.

(2) "Capital costs" means those allowable costs, as determined by the department, of constructing or equipping, or both, of a solid waste transfer facility, a recycling project, or a composting project.

(3) "Commission" means the commission of natural resources.

(4) "Composting project" means a project in which yard wastes, including leaves and grass clippings, are converted into humus through natural biological processes.

(5) "Department" means the department of natural resources.

(6) "Director" means the director of the department of natural resources.

(7) "Disposal area" means disposal area as defined in the solid waste management act, Act No. 641 of the Public Acts of 1978.

(8) "Fund" means the clean Michigan fund created in section 5.

(9) "Municipality" means a county, city, village, township, or an agency of a county, city, village, or township; an authority or any other public body created by or pursuant to state law; or this state or an agency or department of this state.

(10) "Nonprofit private entity" means a private entity that carries out any lawful purpose or purposes not involving pecuniary profit or gain for its directors, officers, shareholders, or members.



Sec. 4. (1) "Private entity" means an individual, trust, firm, joint stock company, corporation, or association that is not a local unit of government.

(2) "Recycling project" means a project in which materials which otherwise would become solid waste are collected, separated, or processed and returned for conversion into raw materials or products.

(3) "Resource recovery" means the processing or collecting of solid wastes so as to produce materials or energy that may be used in manufacturing, agriculture, heat production, or other productive processes or purposes designed to reuse materials or products or to conserve natural resources.

(4) "Site separated material" means glass, metals, wood, paper products, plastics, rubber, textiles, or any other material approved by the department, that is separated from solid waste for conversion into raw materials or new products.

(5) "Solid waste" means solid waste as defined in the solid waste management act, Act No. 641 of the Public Acts of 1978, being sections 299.401 to 299.437 of the Michigan Compiled Laws.

(6) "Solid waste transfer facility" means a solid waste transfer facility as defined in the solid waste management act, Act No. 641 of the Public Acts of 1978, being sections 299.401 to 299.437 of the Michigan Compiled Laws.

(7) "Source separated material" means glass, metals, wood, paper products, plastics, rubber, textiles, or any other material approved by the department that is separated at the source of generation for conversion into raw material or new products.

(8) "Waste-to-energy" means a process that specifically is designed to recover energy through the combustion or volume reduction of solid waste.

Sec. 5. The clean Michigan fund is created in the state treasury. The fund shall consist of appropriations from the general fund or any other fund, as provided by law, and any gifts and donations to the fund. The fund shall be expended only for the programs described in this act, for the staffing and administrative costs to the department of administering those programs, and for any costs associated with the advisory panel described in section 20.

Sec. 5a. (1) The commission may make grants to counties having a population less than 12,000 enabling such a county to establish a revolving loan fund with money received from the commission. The initial grant shall be used by the county to establish a revolving loan fund that shall be allocated and reallocated as provided in this section. Not more than 1% of a grant made pursuant to this section may be utilized by a county for the administration of the loan program.

(2) Grant money loaned by a county under this section shall be loaned to a private entity or nonprofit private entity only for purposes and programs that would be eligible to receive a grant under the provisions of this act and may not be used for any other purpose, except administration costs.

(3) A county that receives a grant under this section shall establish a county loan board to review applications for loans submitted to the county and the board shall make recommendations to the county board of commissioners. The county loan board shall consist of a member to represent each of the following:

(a) The county.

(b) Nonprofit private entities and private entities engaged in resource recovery alternatives.

(c) Conservation or environmental organizations.

(d) The department.

(e) A member of the general public.

(4) Upon receipt of the recommendations of the county loan board, the county board of commissioners of a county that receives a grant under this section shall determine when a loan shall be made. The board of commissioners shall not make a loan unless both of the following conditions are met:

(a) The loan applicant is seeking a loan for a purpose or program that would be eligible to receive a grant under the provisions of this act.

(b) The amount of the proposed loan is not more than \$300,000.00.

(5) The county shall provide the department with an annual audit of the revolving loan fund using generally accepted accounting procedures.

(6) A county may be liable to the commission for the full amount of a grant made pursuant to this section if at any time the county makes a loan in a manner or to an entity that is substantially out of compliance with a requirement of this act.

(7) A grant to a county made under this section shall not exceed \$300,000.00.

Sec. 6. Notwithstanding any other provision of this act, for the fiscal year ending September 30, 1987 expenditures from the fund shall be made in accord with the requirements of this act and limited to the following purposes:

(a) Not more than 5% of the fund may be expended for waste stream assessments. Not more than \$50,000.00 may be expended on any single study conducted under this subdivision.

(b) Not more than 5% of the fund may be expended for recycling or composting feasibility studies, or both. Not more than \$30,000.00 may be expended on any single study conducted under this subdivision.

(c) Not more than 15% of the fund may be expended for site specific waste-to-energy feasibility studies. Not more than \$400,000.00 may be expended on any single study conducted under this subdivision.

(d) Not more than 20% of the fund may be expended for recycling or composting capital grants. Not more than \$500,000.00 may be expended on any single project funded under this subdivision.

(e) Not more than 5% of the fund may be expended for recycling or composting operating subsidies, or both. Not more than \$150,000.00 may be expended on any single project funded under this subdivision.

(f) Not more than 2.5% of the fund may be expended for market development research. Not more than \$100,000.00 may be expended on any single grant funded under this subdivision.

(g) Not more than 10% of the fund may be expended for a market development grant program. Not more than \$500,000.00 may be expended on any single grant funded under this subdivision.

(h) Not more than 10% of the fund may be expended for a resource recovery educational program and resource recovery educational grant program. Not more than \$50,000.00 may be expended for any single grant funded under this subdivision.

(i) Not more than 25% of the fund may be expended for a solid waste transfer station capital grant program. Not more than \$300,000.00 may be expended for any single transfer station grant funded under this subdivision.

(j) Not more than 1% of the fund may be expended for a household hazardous waste disposal grant program. Not more than \$10,000.00 may be expended for any single grant project funded under this subdivision.

(k) Not more than 10% of the fund may be expended for hydrogeological monitoring studies on open and closed landfills owned by municipalities. Not more than \$50,000.00 may be expended for any single study funded under this subdivision.

(l) Not more than 25% of the fund may be expended for a sanitary landfill and open dump closure matching grant program. Not more than \$600,000.00 may be expended for any single grant funded under this subdivision.

(m) Thirty percent of the fund must be expended for a waste-to-energy capital grant program. Not more than \$2,000,000.00 may be expended for a single grant funded under this subdivision. A grant under this program may only be made to a county for a waste-to-energy facility for which the necessary permits have been obtained and on which construction has been initiated by July 1, 1986.

Sec. 7. (1) The commission shall cause to be conducted a series of waste stream assessments in representative areas of the state. The assessments shall determine the characteristics of the waste stream and document seasonal fluctuations in the volume of waste.

(2) The commission shall select a site for a waste stream assessment subject to the following prerequisites:

(a) The site is located in a county that has an approved solid waste management plan.

(b) The approved solid waste management plan for the county proposes some type of resource recovery.

(c) The site has not been the subject of an adequate waste stream assessment within the 5 years before the assessment authorized by this act is performed.

(3) The commission shall consider the following in determining appropriate sites for inclusion in the waste stream assessment:

(a) The extent to which the owners of the disposal areas in the proposed study site will do the following:

(i) Provide an area on the site for scales and for composition studies.

(ii) Provide temporary shelter for work during inclement weather.

(iii) Enlist the cooperation of solid waste haulers.

(b) The likelihood that a resource recovery project or projects will be undertaken at the proposed site.

(c) The likelihood that the data resulting from the assessment of the proposed site will be usable or useful in evaluating the waste stream in other similar areas of the state.

(d) The extent to which selection of the site contributes to the achievement of a balanced distribution of assessments throughout the state.

(e) The availability of a scale at the proposed site.

(4) The commission shall not expend more than 5% of the total amount in the fund in any state fiscal year on the assessments described in this section. The commission shall not expend more than \$50,000.00 for any single assessment conducted under this section.

Sec. 8. (1) The commission shall cause to be conducted a series of recycling and composting feasibility studies. A study shall establish a basis upon which a decision to commit financial resources to a proposed recycling or composting project can be made. The commission shall prescribe the elements to be included within a study.

(2) The commission shall select a site for a recycling and composting feasibility study subject to the following prerequisites:

(a) The site is located in a county that has an approved solid waste management plan.

(b) The recycling or composting project proposed by the municipality is consistent with the approved solid waste management plan.

(3) The commission shall consider the following factors in selecting a site for a recycling and composting feasibility study:

(a) The extent to which a municipality commits to proceeding with the project if the study determines that the project is feasible.

(b) The degree of demonstrated municipality, community group, or volunteer interest in undertaking a recycling or composting project.

(c) A demonstration that a recycling or composting project undertaken on the basis of the study would provide a necessary solid waste management alternative, given the status of existing disposal areas serving the location.

(d) The extent to which selection of the site contributes to the achievement of a balanced distribution of studies throughout the state.

(e) The demonstrated capability of the municipality in which the site is located to work with adjacent municipalities on alternative resource recovery projects.

(4) The commission shall not expend more than 5% of the total amount in the fund in any state fiscal year on the studies described in this section. The commission shall not expend more than \$30,000.00 for any single study conducted under this section.

Sec. 9. (1) The commission shall cause to be conducted a series of waste-to-energy feasibility studies. A study shall establish a basis upon which a decision to commit financial resources to a proposed waste-to-energy project can be made. The commission shall prescribe the elements to be included in the study.

(2) The commission shall select a site for a waste-to-energy feasibility study subject to the following prerequisites:

(a) The site is located in a county that has an approved solid waste management plan.

(b) The waste-to-energy project proposed is consistent with the approved solid waste management plan.

(3) The commission shall consider the following factors in selecting a site for a waste-to-energy feasibility study:

(a) The extent to which the municipality proposing the project has done the following:

(i) Held meetings to discuss a waste-to-energy project.

(ii) Sought funding for studies of a waste-to-energy project.

(iii) Sought feasibility data on its own.

(b) The availability of letters of interest from potential energy markets.

(c) Whether a recycling feasibility study for the area to be served by the proposed waste-to-energy facility is available.

(d) Whether a waste-to-energy facility undertaken on the basis of the study would provide a necessary solid waste management alternative, given the status of existing disposal areas serving the location.

(e) The extent to which selection of the site contributes to the achievement of a balanced distribution of studies throughout the state.

(f) The demonstrated efforts of the municipality in which the site is located in working towards alternative resource recovery solutions to solid waste management problems, such as implementing recycling or composting programs in the area to be served.

(g) The demonstrated capability of the municipality in which the site is located to work with adjacent municipalities on alternative resource recovery projects.

(4) The commission shall not expend more than 15% of the total amount in the fund in any state fiscal year for the studies described in this section. The commission shall not expend more than \$400,000.00 for any single study conducted under this section.

Sec. 10. (1) The commission shall establish an educational program with respect to resource recovery to accomplish the following:

(a) To promote on a statewide basis the purchase of recycled products and materials.

(b) To develop promotional materials for distribution by municipalities in support of their resource recovery initiatives.

(2) The department shall establish a resource recovery education grant program. The program shall provide funding for the direct promotion of local resource recovery initiatives by municipalities, nonprofit private entities, and private entities. The commission shall make the grants described in this subsection.

(3) The commission shall not make a resource recovery education grant unless both of the following conditions are met:

(a) The proposed education project is conducted in a county that has an approved solid waste management plan.

(b) A local resource recovery project is planned or under way and the proposed education project directly promotes the use of that project.

(4) The commission shall consider the following factors in selecting recipients of resource recovery education grants:

(a) Whether the education program has measurable objectives.

(b) The extent of background research completed.

(c) The type and extent of follow-up or evaluation, or both, to be conducted.

(d) The level of commitment by local officials.

(e) The extent to which the recipient commits its own financial resources to the education project.

(f) The extent to which selection of the project contributes to the achievement of a balanced distribution of grants throughout the state.

(5) The commission shall not expend more than 25% of the total amount in the trust fund in any state fiscal year on the educational program and the education grant program described in this section. The commission shall not expend more than \$50,000.00 for any single education grant made under this section.

Sec. 11. (1) The department shall establish a solid waste transfer station grant program. The program shall provide funding to municipalities, nonprofit private entities, and private entities for the cost of transfer station construction. The commission shall make the grants described in this section.

(2) The commission shall not make a solid waste transfer station grant unless both of the following conditions are met:

(a) The proposed transfer station is located in a county that has an approved solid waste management plan.

(b) The proposed solid waste transfer station is consistent with the approved solid waste management plans of all of the affected counties.

(3) The commission shall consider the following factors in selecting recipients for solid waste transfer station grants:

(a) The potential for providing to the municipality resource recovery alternatives otherwise not available to the municipality without the proposed transfer station.

(b) The willingness of the municipality to form or participate in a joint solid waste management system with adjacent municipalities.

(c) The applicant demonstrates that the proposed transfer station replaces a sanitary landfill or open dump closed according to the standards contained in the solid waste management act, Act No. 641 of the Public Acts of 1978, being sections 299.401 to 299.437 of the Michigan Compiled Laws.

(4) The commission shall not dispense a solid waste transfer station grant unless all permits that are required by state law and that are specifically applicable to the nature of the proposed project have been obtained.

(5) The commission shall not expend more than 25% of the total amount in the fund in any state fiscal year on the solid waste transfer station grant program. The commission shall not expend more than \$300,000.00 for any single transfer station grant made under this section.

Sec. 12. (1) The department shall establish a recycling and composting capital grant program. The program shall provide funding for the capital costs of recycling and composting programs undertaken by municipalities, nonprofit private entities, or private entities. The commission shall make the grants described in this section.

(2) The commission shall not make a recycling or composting capital grant unless all of the following conditions are met:

(a) The proposed recycling or composting project is located in a county that has an approved solid waste management plan.

(b) The proposed recycling or composting project is consistent with the approved solid waste management plan.

(c) The applicant provides either a feasibility study with positive results supportive of project initiation or sufficient data justifying project expansion.

(d) The equipment obtained with the grant is used for source separated materials or site separated materials, or both.

(3) The commission shall consider the following factors in selecting recipients for recycling and composting capital grants:

(a) The likelihood of project success as indicated by the feasibility study results.

(b) The availability of an appropriate site.

(c) A demonstration by the applicant that the materials to be collected or processed, or both, are not being recovered presently and would not be recovered otherwise, but for the proposed recycling or composting project.

(d) A demonstration by the applicant that the materials to be collected or processed, or both, will be absorbed in an existing market without displacing existing resource recovery operations, or that the materials, by being collected or processed, or both, will create a new market.

(e) The business and accounting plans for the proposed recycling or composting project.

(f) The need for a new or expanded recycling or composting program in the area to be served, relative to the needs of other areas.

(g) The extent to which selection of the recycling or composting program contributes to the achievement of a balanced distribution of grants throughout the state.

(h) A demonstration by the applicant that land, buildings, personnel, support services, or funds have been committed to the recycling or composting project.

(i) The portion of the waste stream that is projected to be diverted from landfills, compared to the projected costs of the recycling or composting project.

(j) The immediacy of the reduction in waste resulting from the recycling or composting program.

(k) The potential of the recycling or composting project to be replicated in similar areas of the state.

(l) The availability of capacity at existing licensed landfills that serve the area to be served by the proposed recycling or composting program.

(m) The demonstrated municipality, community group, or volunteer interest in undertaking a recycling or composting project.

(n) The demonstrated capability of the applicant in working with adjacent municipalities on alternative resource recovery projects, such as development of a regional resource recovery organization, jointly sponsored resource recovery initiatives, or regional materials marketing strategies.

(4) The commission shall not dispense a recycling or composting capital grant unless all the permits that are required by state law and that are specifically applicable to the nature of the proposed project have been obtained.

(5) The commission shall not expend more than 20% of the total amount in the fund in any state fiscal year on the recycling and composting capital grant program. The commission shall not expend more than \$500,000.00 for any single recycling or composting capital grant made under this section.

Sec. 13. (1) The department shall establish a ~~waste-to-energy-capital-grant-program~~. The program shall provide funding for the capital costs of ~~waste-to-energy~~ programs undertaken by municipalities, nonprofit private entities, or private entities. The commission shall make the grants described in this section.

(2) The commission shall not make a ~~waste-to-energy~~ capital grant unless all of the following conditions are met:

(a) The proposed ~~waste-to-energy~~ project is located in a county that has an approved solid waste management plan.

(b) The proposed waste-to-energy project is consistent with the approved solid waste management plan.

(c) The applicant provides either a feasibility study with positive results supportive of project initiation or sufficient data justifying project expansion.

(3) The commission shall consider the following factors in selecting recipients for waste-to-energy capital grants:

(a) The likelihood of project success as indicated by the feasibility study results.

(b) The availability of an appropriate site.

(c) A demonstration by the applicant that the materials to be collected or processed, or both, are not being recovered presently.

(d) The business and accounting plans for the proposed waste-to-energy project.

(e) The need for a new or expanded waste-to-energy program in the area to be served, relative to the needs of other areas.

(f) The extent to which selection of the waste-to-energy program contributes to the achievement of a balanced distribution of grants throughout the state.

(g) A demonstration by the applicant that land, buildings, personnel, support services, or funds have been committed to the waste-to-energy project.

(h) The portion of the waste stream that is projected to be diverted from landfills, compared to the projected costs of the waste-to-energy project.

(i) The potential of the waste-to-energy project to be replicated in similar areas of the state.

(4) The commission shall not dispense a waste-to-energy capital grant unless all the permits that are required by state law and that are specifically applicable to the nature of the proposed project have been obtained.

(5) The commission shall not expend more than 30% of the total amount in the fund in any state fiscal year on the waste-to-energy capital grant program. The commission shall not expend more than \$2,000,000.00 for any single waste-to-energy grant made under this section.

Sec. 14. (1) The department shall establish a recycling operational grant program. The program shall provide temporary operating subsidies to assist municipalities, nonprofit private entities, and private entities in recapturing the difference between the cost of collection, processing, and transportation and the revenues generated from the sale of the recovered materials. The commission shall make the grants described in this section.

(2) The commission shall not make a recycling operational grant unless all of the following conditions are met:

(a) The proposed recycling project is located in a county with an approved solid waste management plan.

(b) The proposed recycling project is consistent with the approved solid waste management plan.

(c) A positive feasibility study of the proposed recycling project, or sufficient data justifying project expansion, is available.

(d) The applicant agrees to match the grant on a dollar for dollar basis.

(e) The applicant agrees to continue support for the recycling project if the project is within 10% of previous disposal costs.

(f) The applicant agrees to provide the department with an annual operation report.

(g) The need for an operating subsidy is demonstrated.

(h) The grant is used for a project handling source separated material or site separated material, or both.

(3) The commission shall consider the following factors in determining whether to make a recycling operational grant:

(a) The portion of the waste stream projected to be diverted from a landfill, compared to projected costs.

(b) A demonstration by the applicant that land, buildings, personnel, support services, or funds have been committed to the recycling project.

(c) The applicant's willingness to show others the program.

(d) The potential of the recycling project to be replicated in similar areas of the state.

(e) The extent to which selection of the project contributes to the achievement of a balanced distribution of grants throughout the state.

(f) The demonstrated municipality, community group, or volunteer interest in undertaking a recycling project.

(g) The demonstrated capability of the applicant in working with adjacent municipalities on alternative resource recovery projects, such as development of a regional resource recovery organization, jointly sponsored resource recovery initiatives, or regional materials marketing strategies.

(h) The availability of capacity at existing licensed landfills that serve the area to be served by the proposed recycling project.

(i) The existence of a plan for transferring financial responsibility for the program to another funding source.

(j) The existence of sources of capital funding for the project.

(4) The commission shall not dispense a recycling operational grant unless all the permits that are required by state law and that are specifically applicable to the nature of the proposed project have been obtained.

(5) The commission shall not expend more than 5% of the total amount in the fund in any state fiscal year for the recycling operational grant program. The commission shall not expend more than \$150,000.00 for any single recycling operational grant made under this section.

Sec. 15. (1) The department shall establish a composting operational grant program. The program shall provide temporary operating subsidies to assist municipalities, nonprofit entities, and private entities in undertaking composting projects. The commission shall make the grants described in this section.

(2) The commission shall not make a composting operational grant unless all of the following conditions are met:

(a) The proposed composting project is located in a county with an approved solid waste management plan.

(b) The proposed composting project is consistent with the approved solid waste management plan.

(c) A positive feasibility study of the proposed composting project, or sufficient data justifying project expansion, is available.

(d) The applicant agrees to match the grant on a dollar for dollar basis.

(e) The applicant agrees to provide the department with an annual operation report.

(3) The commission shall consider the following factors in determining whether to make a composting operational grant:

(a) The portion of the waste stream projected to be diverted from a landfill, compared to projected costs.

(b) A demonstration by the applicant that land, buildings, personnel, support services, or funds have been committed to the composting project.

(c) The applicant's willingness to show others the program.

(d) The potential of the composting project to be replicated in similar areas of the state.

(e) The extent to which selection of the project contributes to the achievement of a balanced distribution of grants throughout the state.

(f) The demonstrated municipality, community group, or volunteer interest in undertaking a composting project.

(g) The demonstrated capability in working with adjacent municipalities on alternative resource recovery projects, such as development of a regional resource recovery organization, jointly sponsored resource recovery initiatives, or regional materials marketing strategies.

(h) The availability of capacity at existing licensed landfills that serve the area to be served by the proposed composting project.

(i) A plan for transferring financial responsibility for the program to another funding source has been developed.

(j) The sources of capital funding for the project.

(4) The commission shall not dispense a composting operational grant unless all the permits that are required by state law and that are specifically applicable to the nature of the proposed project have been obtained.

(5) The commission shall not expend more than 5% of the total amount in the fund in any state fiscal year for the composting operational grant program. The commission shall not expend more than \$150,000.00 for any single composting operational grant made under this section.

Sec. 16. (1) The department shall establish a household hazardous waste disposal grant program. The program shall assist municipalities in projects that educate citizens as to methods of household hazardous waste reduction and disposal option, promote the safe handling of household hazardous waste, or dispose of household hazardous waste at a state or federally permitted or licensed hazardous waste treatment, storage, or disposal facility. The commission shall make the grants described in this section.

(2) The commission shall not make a household hazardous waste disposal grant unless all of the following conditions are met:

- (a) The project is not funded under a federal program.
- (b) The municipality commits to contributing 20% of the total project cost in cash or in-kind services, or both.
- (c) The project is completed within 1 year after receipt of the grant.
- (d) The project is consistent with state law and policy.

(3) The commission shall not dispense a household hazardous waste disposal grant unless all the permits that are required by state law and that are specifically applicable to the nature of the proposed project have been obtained.

(4) The commission shall not expend more than 2% of the total amount in the fund in any state fiscal year for the household hazardous waste disposal grant program. The commission shall not expend more than \$15,000.00 for any single household hazardous waste disposal grant made under this section.

Sec. 17. (1) The commission shall cause to be conducted a statewide market development research study to assess the current markets and the potential for and the means for expansion of markets for recycled materials in this state. The commission shall not expend more than 2.5% of the total amount in the fund in any state fiscal year for the market development research study. In addition, the commission shall establish a market development plan based on the market development research study. The plan shall identify the barriers in attracting or expanding industries that use recycled materials and determine the appropriate methods for eliminating those barriers. The department of commerce shall serve as project coordinator for the market development study funded and administered by the commission pursuant to this section.

(2) The department shall establish a market development grant program. The program shall encourage expansion of the use of recycled materials and the development of innovative technologies to use recycled materials. The commission shall make a grant under the program described in this section.

(3) The commission shall select development projects subject to the following prerequisites:

- (a) The project is beyond the research stage and a demonstration has indicated that it is technically feasible.
- (b) The recipient of the grant is a municipality, nonprofit private entity, or a private entity in this state.
- (c) The project shall be performed in this state.

(4) The department shall consider the following factors in selecting recipients of market development grants:

- (a) The contribution that would be made by the project toward the goal of increasing the use of recycled materials.
- (b) The market's need for the development of the technology or equipment.
- (c) The potential impact of the technology or equipment on the cost effectiveness of using recycled materials.
- (d) The potential for development of new resource recovery markets and for the generation of positive economic impacts.
- (e) The potential of the project for commercial application.
- (f) The stage of the development of the technology or equipment proposed to be used in the project.
- (g) The environmental, economic, and social benefits to the state of the development of the technology or equipment.
- (h) The future sources of capital funding for the project.
- (i) The extent to which the applicant has committed land, buildings, personnel, support services, or funds to the project.
- (j) The potential of the project for developing multiple markets.

(5) The commission shall not dispense a market development grant unless all the permits that are required by state law and that are specifically applicable to the nature of the proposed project have been obtained.

(6) The commission shall not expend more than 25% of the total amount in the fund in any state fiscal year for the market development grant program. The commission shall not expend more than \$500,000.00 for any single grant made under this program.

Sec. 18. (1) The department shall establish a program to perform hydrogeological monitoring studies on open and closed sanitary landfills and open dumps owned by municipalities. The program shall determine the extent of groundwater contamination associated with the sanitary landfills and open dumps and the need for remedial actions on those sites. The commission shall determine which landfills and dumps owned by municipalities are to be monitored. In determining the order in which the landfills and dumps owned by municipalities are to be monitored, the commission shall consider the potential threat of human exposure to environmental

contamination originating from the sanitary landfill or open dump and the likelihood that hazardous waste was accepted at the landfill or dump.

(2) The commission shall not expend more than 10% of the total amount in the fund in any state fiscal year for the program to perform hydrogeological monitoring studies. The commission shall not expend more than \$50,000.00 for any single hydrogeological monitoring study performed under this section.

Sec. 19. (1) The department shall establish a sanitary landfill and open dump closure or reclosure matching grant program. The program shall provide up to 75% of the funding for the closure or reclosure of sanitary landfills and open dumps owned or operated by municipalities. In addition, the program shall provide up to 75% reimbursement for the closure or reclosure of municipally owned sanitary landfills and open dumps that were closed after January 11, 1979, the effective date of the solid waste management act, Act No. 641 of the Public Acts of 1978, being sections 299.401 to 299.437 of the Michigan Compiled Laws, according to the standards prescribed by that act, but before the effective date of this act. The commission shall make the grants described in this section.

(2) The commission shall not make a closure or reclosure grant unless all of the following requirements are met:

(a) The sanitary landfill or open dump proposed for closure or reclosure is located in a county that has an approved solid waste management plan.

(b) The sanitary landfill or open dump proposed for closure or reclosure is not operating or was not closed according to the standards contained in the solid waste management act, Act No. 641 of the Public Acts of 1978, and the rules promulgated under that act and will be closed according to the standards in that act.

(c) If the grant is reimbursement for the closure or reclosure of a landfill or dump, the closure or reclosure was made according to the standards of the solid waste management act, Act No. 641 of the Public Acts of 1978, and the rules promulgated under that act.

(d) The grant shall be used only for a closure or reclosure that is a complete closure of an entire landfill or dump.

(e) The closure or reclosure will be accomplished completely within 1 year after receipt of the grant.

(3) The commission shall consider the following factors in selecting recipients of closure or reclosure grants:

(a) The degree of effort demonstrated by the municipality in working toward alternative solutions to solid waste management problems.

(b) The degree of the potential threat of groundwater contamination.

(c) The likelihood that hazardous waste was accepted.

(d) The municipality's willingness to work with adjacent municipalities on alternative solutions.

(e) The municipality's commitment to refrain from operating unlicensed disposal areas in the future.

(4) The commission shall not expend more than 25% of the total amount in the fund in any state fiscal year for the sanitary landfill and open dump closure or reclosure matching grant program. The commission shall not expend more than \$600,000.00 for any single grant made under this section.

Sec. 19a. Any project of the type for which a grant may be available under section 12, which produces site separated materials, and for which the licenses or permits required by law were obtained after February 1, 1986, is eligible to receive a grant under this act.

Sec. 20. (1) An 11-member advisory panel shall be appointed to review the applications submitted to the commission for inclusion in the studies and assessments and for receipt of the grants to be made under this act and shall make recommendations to the commission. The advisory panel shall include 1 member of the commission and 1 member of the general public, appointed by the governor. The member of the commission shall be the chairperson of the panel. In addition, the governor, the majority leader of the senate, and the speaker of the house of representatives each shall appoint a member to represent each of the following:

(a) Municipalities.

(b) Nonprofit private entities and private entities engaged in resource recovery alternatives.

(c) Conservation or environmental organizations.

(2) A member shall serve for a term of 2 years. However, of the members first appointed, the member appointed by the governor shall be appointed for terms of 3 years.

(3) Members of the advisory panel and relatives and business associates of the members of the panel shall not be eligible for any grants made under this act.

Sec. 21. (1) The commission shall administer the studies, assessments, and programs described in this act according to the following:

(a) Within 60 days after enactment of the general appropriations bill for the department of natural resources for a state fiscal year, the commission shall issue a request for applications for inclusion in any study or assessment to be conducted that year and for receipt of any grant available during that year. However, for the fiscal year ending on September 30, 1987, the commission shall issue within 60 days after the effective date of this act a request for applications for inclusion in any study or assessment to be conducted that fiscal year and for receipt of any grant available during that year.

(b) The commission shall not accept any applications after 60 days from the issuance of a request for applications.

(c) Within 90 days after the application period closes, the advisory panel established in section 20 shall complete its review of the applications and submit its recommendations to the commission.

(d) Within 45 days after the advisory panel recommendations are made, the commission shall complete its review of the application and recommendations and make its determinations.

(2) An application for inclusion in any study or assessment described in this act or for any grant available under this act shall be made on a form prescribed by the department. The department may require the applicant to provide any information reasonably necessary to allow the commission to make the determinations required by this act.

(3) Each recipient of a grant and each participant in a study or assessment under this act shall complete and return a project summary on a form developed by the department by a date specified by the advisory panel. A recipient or participant who fails to submit a project summary as required by this section shall not be eligible to be a recipient or participant under this act for 5 years after the year for which the failure occurs.

(4) The project summary form developed by the department shall not exceed 1 page and shall obtain the following information:

(a) The name, address, and telephone number of the recipient or participant.

(b) The name of the project.

(c) The amount of money received.

(d) The county in which the project is located.

(e) A brief summary of the activities and accomplishments of the project.

(5) A completed project summary is available to the public under the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

Sec. 22. (1) Not later than March 31 of each year, the commission shall report the following information regarding the projects financed under this act for that fiscal year to the governor, the committee of the house of representatives on conservation and environment, the committee of the senate on natural resources and environment, and the subcommittees of the house of representatives and the senate on appropriations for the department of natural resources:

(a) The name, address, and telephone number of the recipient or participant.

(b) The nature of the project.

(c) The amount of money received.

(d) The county in which the project is located.

(2) Not later than September 30 of each year, the commission shall submit to the governor and the legislature a report on the projects financed under this act during the previous fiscal year. The report shall consist of the project summaries described in section 21, along with an introduction and conclusion prepared by the advisory panel.

Sec. 23. (1) Sections 1 to 22 are repealed effective January 1, 1992.

(2) Within 3 years after the effective date of this act, the commission shall analyze the studies and assessments funded by this act and report to the legislature as to whether and to what extent the studies and assessments support the feasibility of constructing recycling, composting, and waste-to-energy facilities.

Appendix E

SOLID WASTE ALTERNATIVES PROGRAM
GRANTEE'S HANDBOOK

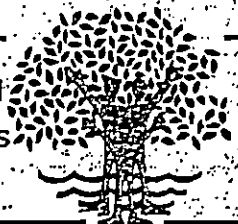


Michigan Department of Natural Resources
Waste Management Division
May 1992



RECYCLED
PAPER

Protecting
Michigan's
Future



Your Bond Dollars at Work



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INTRODUCTION

The Solid Waste Alternatives Program (SWAP) is administered by the Waste Management Division of the Michigan Department of Natural Resources. Funding for this program is made available by the Environmental Protection Bond Fund.

This handbook has been developed by Department of Natural Resources (DNR) staff to help grantees successfully carry out their awarded project and ensure that funding is received in a timely manner. Major topics covered include:

- an overview of the grant or loan process;
- assuring that the project will be ready to proceed once the money becomes available;
- reporting and recordkeeping requirements;
- identifying issues that commonly arise with different types of projects. Discussing how to deal with these issues to prevent them from becoming problems that may impede the completion of the project.

A main subject index is provided at the end of the handbook for reference.

NOTE:

The term "grantee" is used extensively herein to refer to a recipient of SWAP funding, whether it be a grant or a loan. Program requirements that differentiate between grant and loan recipients will be identified in the discussion.

CHRONOLOGY OF THE FUNDING PROCESS

Solid Waste Alternatives Program grant and loan funding recommendations are made annually by the Natural Resources Commission (NRC), generally in January. Once the NRC has made its recommendations, applicants receive a letter informing them if the NRC has or has not recommended their project for funding. This letter also includes an evaluation of the project. If the SWAP project application has been recommended for funding by the NRC, several steps remain before SWAP funding becomes available to the grantee. The chronology of these steps follows:

- A list of NRC recommended projects is provided to the Legislature, which considers it along with other bond funding requests.
- The Legislature passes an appropriations bill to appropriate money from the Environmental Protection Bond Fund for the projects on the list.
- The Governor signs the appropriations bill into law.
- The appropriated funding becomes available for use in approved projects at the beginning of the Fiscal Year (October 1st of the calendar year).

Once the project has been recommended by the NRC, the grantee will be assigned a DNR project manager. Any questions or concerns about the project, the award or the contract should be addressed to the DNR project manager. Among other things, the DNR project manager will:

- Discuss any stipulations or concerns that may be part of the funding award. These must be addressed for DNR approval before a grant contract can be issued.

Stipulations placed on the funding award by either the Solid Waste Alternatives Program Advisory Panel or the NRC are listed under the heading "Panel Comments" on the Project Evaluation Form.

- Begin contract discussions (see following section on "Contracts").
- Arrange for a site visit if the project involves construction or site preparation activities. The DNR district staff may accompany the project manager on a site visit.
- After a grant contract has been executed, the DNR project manager will work with the grantee on day-to-day management of the project.

CONTRACTS

Grant contracts are generally issued a month or so before the start of the fiscal year.

CONTRACT REQUIREMENTS IN GENERAL

The grantee must sign a contract in order to receive the SWAP funds. The contract is between the grantee and the DNR. Once the contract has been signed by both parties and funding has been appropriated, grant funds are available to the grantee.

The contract details the grantee's responsibilities and the DNR's responsibilities for the funded project. Once the contract is issued, the grantee has 90 days to sign and return it.

Contract language is standard and there is limited opportunity for negotiation. **Key provisions of these contracts include:**

- The original application for funding becomes an appendix to the contract. The goals, budget, timetable, methods, etc.

described in the application become part of the contract and may only be changed upon DNR approval. The types of changes that are acceptable and the process for approval will be discussed further on in this section of the handbook.

- The amount of the grant award is fixed and cannot be increased over the amount stated in the contract. The grantee is responsible for all project cost overruns.
- The contract outlines grantee responsibilities, which must be discharged over two different time periods. The project period is the period during which all project tasks, as identified in the project timetable, must be completed. All the expenditures listed in the project budget must be made during this period. The project period is typically one year long, though Market Development Projects may have a project period of up to eighteen months and Household Hazardous Waste Center Projects may have a project period of up to three years long.
- The contract period is the period during which the grantee is under contract. During the contract period, the grantee has an obligation to maintain the project, report project performance to the DNR, and obtain DNR approval for the sale or transfer of any SWAP funded assets. The contract period is ten years for projects that involve the purchase of equipment or structures but may be less for non-capital projects.
- The DNR maintains a security interest (first secured party) in any equipment or structures purchased with grant or loan funds until all the grantee's contractual obligations are met. The grantee is

required to file and keep current a Uniform Commercial Code form on each piece of grant funded equipment with the Michigan Secretary of State.

- All equipment, structures or other non-disposable items purchased with State funds must be used in Michigan, exclusively for the purposes stated in the contract, for ten years or the life of the item, whichever is less.
- The grantee may not sell, trade or give away equipment or structures purchased with State funds without prior written authorization from the DNR while they are under contract. Seventy-five percent of the net proceeds of any such sale of grant funded equipment or structures must be returned to the DNR.
- The grantee must comply with all the project reporting requirements of the DNR. These requirements will be discussed in greater detail in a later section of this handbook.
- The grantee must obey all applicable State, Federal and local laws, rules and regulations in the implementation and operation of the project. The grantee must use only licensed 641 disposal facilities for its solid waste.
- The contract also details the process by which grant or loan funds are paid to the grantee. That process will be covered in the discussion of the Cost Reimbursement Process in a later section of this handbook.
- The contract requires the grantee to provide the name of the grantee's authorized contract representative. This person should be the individual responsible for the day-to-day administration of

the project. This person should be authorized to sign payment requests, requests for budget and project changes and other contract correspondence. The grantee must inform the DNR of any changes in whom is responsible for the administration of the project.

CONTRACT REQUIREMENTS - CATEGORY SPECIFIC

Contracts also contain requirements specific to the funding category in which the award was made. **Key contract provisions, by category, include:**

Composting Projects

- The grantee must certify that the area to be served by the composting project has bans on landfilling and burning yard waste. These bans must be kept in place during the contract period.
- The contract requires that the grantee operate the composting site as outlined in the DNR-approved site management plan.
- The grantee must operate the project for a minimum of ten years after the end of the project period.
- The contract includes restrictions on the use, sale, trade or transfer of equipment or structures as outlined previously.

Household Hazardous Waste Centers

- The grantee certifies that all household hazardous waste to be disposed of shall be transported to a treatment, storage or disposal facility by a transporter that is licensed under the provisions of 1979 P.A. 64 and 1969 P.A. 136.

- The grantee certifies that all household hazardous waste to be disposed of is processed at a treatment or disposal facility that is authorized to operate under the provisions of P.A. 64 or the Resource Conservation and Recovery Act.
- The grantee must provide documentation, as a part of each request for reimbursement, that household hazardous waste that has been collected has been disposed of at a licensed hazardous waste treatment, storage or disposal facility.
- The grantee must not do any of the following:
 - *Mix, combine or commingle household hazardous waste or unidentified waste or combination thereof at the collection site unless specifically authorized in writing by the DNR.*
 - *Accept any regulated hazardous wastes or spend any funds covered in the contract for the treatment or disposal of such wastes.*
 - *Spend funds covered under the contract for the disposal of materials collected which do not meet the definition of household hazardous wastes or which pose no threat to the environment.*
- The contract includes restrictions on the use, sale, trade or transfer of equipment or structures as outlined previously.

Market Development Projects

- The grantee must operate the project for a minimum of ten years after the end of the project period.

- The grantee agrees that collected recyclables shall not go to a landfill or solid waste incinerator except for scrap tires to be used for energy recovery.
- The grantee agrees to utilize Michigan recyclable materials in the project if Michigan recyclable materials are available at a cost not greater than one hundred ten percent (110%) of the cost of recyclable materials from another state. If Michigan recyclables are currently being used, they must continue to be used even if they cost up to one hundred and ten percent (110%) of the cost of materials from another state.
- If the project initially involves the utilization of out-of-state materials, the grantee agrees to substitute an increasing percentage of Michigan recyclable materials as supplies become available to the grantee at a cost not greater than one hundred ten percent (110%) of the cost of recyclable materials from another state.
- The contract includes restrictions on the use, sale, trade or transfer of equipment or structures as outlined previously.

Market Development Research and Demonstration Projects

- The grantee must provide an economic analysis of the viability of the technology or process for use by others.
- The grantee must provide information on the type of private entities or local units of government that may be able to utilize the new technology or process developed or demonstrated by the project.
- The grantee must provide a detailed description of the potential effect of the project on market development.

- The grantee must provide a plan to share results, research, or information on the effectiveness of the demonstration with others through tours, articles, summary reports and other methods.
- Discoveries or inventions developed with the assistance of SWAP funding may be patented or licensed only by the DNR. Written materials, plans, specifications, computer programs or other materials developed as part of the funded project may be reproduced or published and freely distributed by the DNR.

Marketing Projects

- The product to be marketed under this contract must be manufactured in the State of Michigan and must include a minimum of fifty percent Michigan recyclable material that would otherwise be bound for a landfill or solid waste incinerator.
- The grantee agrees that the manufacture of this product will be an ongoing, full scale operation.
- For a marketing strategy development or implementation project, the grantee agrees to provide the DNR with a comprehensive marketing plan, as described in the funding application, within the time allotted for project completion.

Recycling-Collection/Processing Projects

- For projects that collect or process recyclables, the grantee agrees that these materials shall not go to a landfill or solid waste incinerator, except for scrap tires to be used for energy recovery.
- The grantee agrees that Michigan recyclable material will not be displaced by

out-of-state recyclable material. Practically speaking, this means that recyclables generated in Michigan must be given continued preference over recyclables generated in another state even if the grantee must pay up to ten percent higher costs for Michigan recyclables (110% of the cost of recyclable materials from another state).

- If the project initially involves the utilization of out-of-state materials, the grantee agrees to substitute an increasing percentage of Michigan recyclable materials as supplies become available at a cost not greater than one hundred ten percent (110%) of the cost of recyclable materials from another state.
- The grantee must operate the project for a minimum of ten years after the end of the project period.
- The contract includes restrictions on the use, sale, trade or transfer of equipment or structures as outlined previously.

Resource Recovery Education Projects

- All educational materials to be developed or distributed with grant funds must be approved by the DNR prior to final printing or distribution.

Transfer Station Construction Projects

- The grantee agrees that, for the recycling program which is to be part of the transfer station operations, collected recyclables shall not go to a landfill or solid waste incinerator except for scrap tires for energy recovery.
- The grantee must use only licensed solid waste disposal areas for the disposal of its

solid waste and agrees not to conduct, manage, maintain, or participate in the operation of a solid waste disposal area not licensed under 1978 P.A. 641, MCL 299.401, et seq. The grantee also agrees not to unknowingly allow its solid waste to be disposed of in an unlicensed solid waste disposal area.

- The contract includes restrictions on the use, sale, trade or transfer of equipment or structures as outlined previously.

Waste Reduction Research and Demonstration Projects

- The grantee must provide a detailed description of the technology or process developed, including:
 - *The type of waste.*
 - *The amount of waste reduction realized by the project.*
 - *The projected waste reduction to be realized by project implementation.*
- The grantee must provide information on the type of private entities or units of government that may be able to utilize the new technologies or process development demonstrated by the project.
- The grantee must provide a plan for sharing the results, research or information on the effectiveness of the demonstration with others, through tours, articles, summary reports and other methods.
- Discoveries or inventions developed with the assistance of SWAP funding may be patented or licensed only by the DNR. Written materials, plans, specifications, computer programs or other materials developed as part of the funded project

may be reproduced or published and freely distributed by the DNR.

Waste-to-Energy

Contact your DNR Project Manager for further information about the Waste-to-Energy category.

PROJECT SPECIFIC CONTRACT STIPULATIONS

In addition to the standard contract requirements, the funding may have been awarded contingent on certain stipulations of the SWAP Advisory Panel or the NRC. These stipulations will be listed on the Project Evaluation Form under the heading "Panel Comments." These stipulations may need to be addressed prior to contract issuance or may become part of the grant contract. It is the grantee's responsibility to address all stipulations. The DNR project manager and the grantee will discuss any stipulations and the steps required to address them before the contract is issued.

PROJECT AND CONTRACT CHANGES

As stated earlier, the original application for funding is attached to and becomes part of the grant or loan contract.

This includes the grant or loan budget and the project timetable. Frequently, practicality necessitates changes in the original budget or timetable. For example, a different piece of equipment may be more suitable for the project than that initially requested. Likewise, a project task may take more or less time than originally envisioned. Changes of this nature may be made to the contract following the procedure outlined below.

- Any changes to the project budget must be requested in writing by the grantee. The letter requesting the budget change must include:

1) *a revised project budget form showing the changes made from the original project budget as awarded;*

2) *narrative justification for any new budget items requested and for reductions in existing line items;*

3) *a discussion of how each new budget item will result in the project meeting or exceeding the goals set forth in the original application.*

- Though changes may be made to the budget, keep in mind that the total amount of the grant award cannot increase. The contract commits the grantee to funding all cost overruns so any additional costs in a new budget item will have to be covered by the grantee. For example, a recycling project originally included a budget line item for a conveyor priced at \$15,000.00 (this would represent \$11,250.00 in State share and \$3,750.00 in matching funds). The grantee has since determined that a new model of conveyor, priced at \$20,000.00 will increase the processing capacity of the project. The grantee, after requesting and obtaining approval from the DNR project manager, may purchase the more expensive conveyor but must cover the additional \$5,000.00, plus the \$3,750.00 in matching funds the grantee was already committed to contribute.
- If a budget change results in a savings to the project, the grantee may request to

apply that savings to the cost of other budget items or add budget items. For example, the budget for a Resource Recovery Education grant includes a line item for flyers and a line item for posters. The grantee discovers that printing for flyers, originally budgeted at \$2,000.00 can be obtained for \$1,300.00. The grantee may then request that the \$700.00 savings be reallocated to the line item for posters, which cost more than originally anticipated. Remember that each request for a budget change must be accompanied by a discussion of how that change will help the project meet or exceed its original goals.

- The grantee should contact the DNR project manager and informally discuss any proposed budget changes before preparing a formal written request. Wait for receipt of written approval for requested budget changes before expending funds on items affected by the change. Failure to do so may result in not being reimbursed for those expenses.
- Grantees should make every effort to complete the project within the specified project period. Any extensions to the project period identified in the contract requires a contract amendment and must be approved by the DNR project manager. Approval for these changes should be requested in writing as soon as it becomes apparent that additional time will be required to complete the project. A revised timetable and a discussion of how these revisions will affect project goals should be included with the request. Whatever the status of the project, the grantee should keep the DNR project manager informed of progress on key project tasks.

- Project changes which do not have an impact on the project budget or timetable usually require DNR approval. Examples include changes in materials to be collected, service areas or subcontractors. All proposed changes from the project as described in the original application for funding should be discussed with the DNR project manager.

THE COST REIMBURSEMENT PROCESS

SWAP funding awards are made on a cost reimbursement basis. This means that the grantee purchases and pays for an item or service included in the grant budget and then requests reimbursement from the DNR. Reimbursement will be provided for the approved expenses less the percentage of matching funds required from the applicant.

As an example, a grantee purchases concrete to lay a slab for a recycling building as outlined in their recycling project grant application. The approved project budget listed \$1,000.00 for the purchase of concrete. The grantee buys the concrete and pays for it in full. The grantee then submits the bill and a copy of the cancelled check to the DNR with a request for reimbursement. The required applicant match for a recycling-collection/processing project grant is twenty-five percent (25%) and the State share is seventy-five percent (75%). The grantee thus will be reimbursed seventy-five percent (75%) of their cost for the concrete or \$750.00.

Some important facts about the cost reimbursement process:

- The grantee will not be reimbursed for any expenses incurred before the effective date of the contract. This is true even if these expenses are part of the approved project budget. Some grantees have chosen to

lease equipment until their contract is effective and then purchase the equipment. This is acceptable to the DNR but the grantee should be aware that any lease payments will not be reimbursed. Also, a new quote reflecting the purchase value of the leased equipment may be required.

- In order to be processed by the DNR, reimbursement requests must be completed on the appropriate DNR approved forms. These forms include a financial reporting form and a grantee's expenditure listing. A narrative progress report detailing project progress is also required. These forms will be sent to the grantee with a signed copy of the grant or loan contract. Procedures for properly completing the forms will be explained by the DNR project manager.
- Proof of the expenditures for which the grantee is requesting reimbursement must accompany the forms. Cancelled checks, either originals or copies, or bank statements are needed to document expenditures. Copies of cancelled checks should clearly indicate that the check is, indeed, cancelled. Invoices or receipts from the vendor must also accompany the request for reimbursement to document what, specifically, the money was spent on. Invoices or receipts should clearly match up with cancelled checks.

For projects that include salaries as budget items, copies of timesheets and payroll statements must also be included to document time spent on the project. Payroll records should clearly show the employee's pay rate as it is being charged to the grant or loan and list all deductions

from the employee's pay. It is the grantee's responsibility to provide all the necessary documentation.

- Reimbursement will only be provided for expenditures on approved budget items up to the amount listed in the approved project budget. Any changes to the project budget must be approved in writing by the DNR project manager before an expenditure on that item is made.
- The DNR expects to process all requests for reimbursement within 45 days of receipt of properly completed reimbursement request forms, narrative report and required documentation:
- Some grantees find it necessary to assign their reimbursement checks to a bank or other financial institution. Such assignment is acceptable but must be approved by the DNR project manager before the assignment is made. Please notify the DNR project manager in advance if such assignment is necessary.
- Public and private not-for-profit entities who have signed a grant contract may request an advance on their award before incurring expenses. Such an advance is limited to twenty-five percent of the total award and must be spent within thirty days of receipt. Contact the DNR project manager to determine if an advance is suitable.
- Progress reports must be filed at least every three months, beginning with the effective date of the contract. The progress report, a narrative report detailing project progress, must be filed even if no costs have been incurred in the preceding three months and, therefore, no reimbursement is requested.

Reimbursement requests should be filed no more frequently than every three months. The only exception to this occurs when the grantee expends more than twenty-five percent (25%) of the total project budget in any one time period. In this case, the grantee may file a request for reimbursement even if three months have not passed since the last progress report and reimbursement request.

- Ten percent (10%) of the grant or loan award will be held back until project completion has been certified, a site inspection is completed, and financial audit of the project files is performed. The site inspection involves a site visit by the DNR project manager to assure that the project is complete and operational. Resource Recovery Education projects may not require a site inspection. The financial audit will be performed by the DNR's Office of Internal Audit.

Once the site inspection and/or financial audit have been completed, a certification of project completion will need to be signed by the grantee and the DNR project manager. This certification of project completion verifies that both the grantee's and the DNR's contractual obligations for the project period have been discharged. Site inspection, auditing, certifying project completion and issuance of reimbursement for the final ten percent of the award may take 90 days or more. The grantee should be prepared for this longer reimbursement time for the final ten percent of their award.

LOANS

Some key differences exist between SWAP funded grants and loans. Loan recipients should be aware of these. Among these differences:

- The DNR acts much like a conventional lender.
- A loan agreement is entered into between the DNR and the loan recipient. The DNR is advised by the Department of the Attorney General (AG) during the loan agreement process. The AG is involved in the development of all loan documents and agreements, including a letter of commitment and loan agreement.

Given the need to tailor each loan agreement to a specific project, it may take up to two months to negotiate a loan contract once funds become available. The loan recipient is required to provide detailed financial statements during the preparation of the loan agreement.

- Loans are repaid over a ten year period at five percent interest.
- Repayment is scheduled to begin after the entire loan amount has been paid to the recipient.
- Loan recipients will have to provide detailed financial statements annually during the loan repayment period.
- Loan funds are provided on a cost reimbursement basis. Expenses must be incurred (but not paid out) prior to the DNR disbursing any loan funds.
- Loan contracts contain language governing the recipient's financial operations, including restrictions on other loans and investments and stipulations regarding the

recipient's minimum net worth, debt-to-equity ratio, minimum working capital, salaries and dividends.

- No cash advances are allowed for loans.

GETTING STARTED

The time between receiving notification of the NRC's recommendation for funding and contract issuance should be used to ensure that the project is ready to proceed on the effective date of the contract. As explained in the earlier section on SWAP chronology, funding is not available to a grant recipient until an appropriation has been made by the Legislature and a grant contract has been signed. The grantee should take all necessary steps to ensure that the project is ready to implement but should also be careful to make sure that the project is not initiated before the funding is actually available to them.

There are a variety of issues that could impede the progress of the project if they are not planned for and dealt with in advance. Some of these issues and ways to ensure that the project is ready to proceed once the contracts can be issued and signed are summarized below:

- Projects that involve construction or site preparation should have all issues related to siting and zoning resolved before contract issuance. All necessary permits and licenses should be applied for, if not received, before contract issuance. Siting of facilities involved in any aspect of solid waste management is potentially time consuming due to local issues. Because of this, the siting process should be planned and initiated well in advance of contract issuance.

- For any projects that involve construction or site preparation, the grantee should contact DNR District Offices for input on the suitability of the site, the need for permits or licenses and any site specific issues that must be resolved before the project can proceed. Initial contact should be made with Waste Management Division District Staff. Projects may need approval from other DNR divisions, such as Air Quality Division or Surface Water Quality Division. It is the grantee's responsibility to obtain such approval if it is deemed necessary. If the grantee is unsure what approvals may be necessary for the project, contact the DNR project manager to discuss these issues.
- Funding sources for the project should be in place by the time the contract is issued. For public sector grantees, any funding dependent on referenda, special assessments or local government appropriations should be in place. Private sector grantees should complete negotiations with financial institutions if these are necessary.
- Grantees with projects involving requests for proposals (RFP) or bids for construction, installation or other services should see that those RFPs are issued, if not awarded, before contract issuance. If local policies prevent RFP issuance before contract execution, the grantee should be prepared to issue the RFP immediately after contract execution.
- Many municipal governments have local purchasing requirements involving bids for equipment or services. All local practices are acceptable to the DNR but the grantee should ensure that procurement proceeds in a timely manner and does not impede project completion within the project

period. Purchasing practices are expected to be wise and it is assumed that low bids will receive contracts unless factors other than cost are explicitly considered. The grantee is responsible for responding to inquiries from vendors or bidders regarding purchasing decisions. Grantees do not have to use vendors listed in the grant application unless they have made a commitment to use these vendors in the application.

- Grantees whose projects involve cooperation between local governments should make sure that all intergovernmental agreements are finalized before contract issuance.
- The grantee's bid process may result in a different type of equipment or structure being selected than was proposed in the original project budget. If this occurs with the project, the grantee must consult with the DNR project manager to ensure that these differences are approvable budget changes.
- Grantees should have all necessary accounting and bookkeeping methods and project performance tracking systems in place.
- Additional issues are common to projects in a given funding category. The grantee should be sure that these issues are resolved before contract issuance. A brief list of these issues, by category, follows:

Recycling-Collection/Processing Projects

- Collection mechanisms should be in place or a Request for Proposal (RFP) ready to be issued.
- Processing mechanisms should be in place or an RFP ready to be issued.

- Market contracts should be in place.
- Promotion/education methods should be in place.
- Staff resources should be in place.
- Funding mechanisms should be in place.
- Licenses/permits should be obtained or applied for.
- Siting and zoning issues should be resolved.
- Any required mandatory recycling ordinances should be passed.
- All necessary intergovernmental agreements should be in place.

Composting Projects

- Collection mechanisms should be in place or an RFP ready to be issued.
- Siting issues should be resolved, including local zoning and communication with DNR District Office.
- A final site management plan should be prepared and submitted to the DNR for review and approval.
- If the grantee will not be processing collected yard waste, third party processing mechanisms should be in place or an RFP ready to be issued.
- Bans on landfilling and burning yard waste must be in place.
- Marketing mechanisms should be in place.
- Staff resources should be in place.
- Funding mechanisms should be in place.
- Licenses/permits should be obtained or applied for.

- All necessary intergovernmental agreements should be in place.

Market Development Projects

- Material sources should be finalized and in place.
- Processing mechanisms should be in place or an RFP ready to be issued.
- Local siting and zoning issues should be resolved.
- Necessary licenses/permits should be obtained or applied for.
- Marketing mechanisms should be in place.
- Staff resources should be in place.
- Any additional financing required should be in place.

Resource Recovery Education Projects

- Staff resources should be in place.
- Grantee should be prepared to immediately hire any staff to be funded by project.
- All necessary arrangements with local resource recovery programs should be finalized.
- Arrangements with target groups, schools, community groups, etc. should be finalized.

Market Development Research and Demonstration

- Sources of secondary materials to be used in the project should be in place.
- Necessary licenses/permits should be obtained or applied for.
- Staff resources should be in place.

- Grantee should be prepared to immediately hire any staff to be funded by project.
- Multi-party projects should have all formal agreements and working arrangements finalized.
- Bid processes should be finalized.

Waste Reduction Research and Demonstration

- Staff resources should be in place.
- Grantee should be prepared to immediately hire any staff to be funded by project.
- Multi-party projects should have all formal agreements finalized.

Marketing Projects

- Staff resources should be in place.
- Grantee should be prepared to immediately hire any staff to be funded by project.
- Sources of secondary material should be secured.
- For grantees starting full scale production, delivery of finished product should be on schedule.

Household Hazardous Waste (HHW) Center Projects

- Arrangements for the transport and disposal of HHW with a licensed hauler and disposal facility should be finalized.
- Staff resources should be trained and in place.
- Issues related to siting and construction should be resolved.

- Necessary licenses/permits should be obtained or applied for.
- Promotion/education mechanisms should be in place.
- If required, DNR permission for bulking of materials should be applied for.

Transfer Station Construction Projects

- Act 641 construction permit should be obtained or applied for.
- All necessary arrangements with haulers should be finalized.
- All siting/zoning issues should be resolved.
- A recycling program should be planned or in place.
- DNR Waste Management Division District staff should perform a site inspection.

Waste-to-Energy Projects

Contact your DNR Project Manager.

KEEPING RECORDS

As part of the contract with the DNR, grantees are required to keep certain records by which the performance of the project and the overall success of the Solid Waste Alternatives Program will be measured. By setting up appropriate recordkeeping systems in advance, grantees will ensure that these contractual obligations will be met. **Following is a discussion of these recordkeeping requirements.**

- The grantee must make sure that all records concerning the funded project are accessible to the DNR. This is a condition of the grant contract.

- The grantee is required to keep detailed financial records for all expenditures related to the funded project.
- Records on project accomplishments must also be kept. The kind of records to be kept vary with the funding category. The DNR project manager will provide specific guidance on tracking project accomplishments. Please review these measures and take them into account when designing the recordkeeping system for the project. Project measurement data must be included in the narrative progress portion of each reimbursement request as that data becomes available.
- A detailed final project summary must be provided within 90 days after the project completion date specified in the contract. This final project summary is a complete evaluation of project performance including an analysis of how project goals were met, particular obstacles or problems in implementing the project, unexpected successes or benefits enjoyed by the project and an analysis of the project measurement data collected.
- Applicants are required to keep records on project performance and provide them to the DNR annually for a period of up to ten years following project completion.
- Forms for quarterly, final and annual reports will be provided by the DNR project manager. Grantees must use these forms for project reporting.
- Updated financial statements may be required for private, for-profit companies.

PUBLICATIONS AND PROMOTIONS

Grantees should be aware of the following issues regarding publications and promotions.

- The contract requires DNR approval of materials to be developed, printed or distributed with grant funds, prior to printing or distribution. This includes reports; newsletters; brochures; flyers; videos and slide shows; public service announcements; radio, television and newspaper advertisements, etc.
- Signs crediting the Environmental Protection Bond will be provided to projects in which there is construction, large equipment installation, or a discrete project site. These signs must be prominently displayed.
- All printed or audio visual materials prepared as part of the funded project must contain the statement: "Funding for this project made available through a grant from the Department of Natural Resources under the 'Environmental Protection Bond'." Appropriate lettering may also be required on equipment and structures.
- The grantee has a general obligation to make information available to the public and the media about project accomplishments. Ribbon cuttings, ground breakings and similar press events are encouraged to inform the public on how bond funds are being used in the community. The DNR is interested in being informed of any project milestones, media events, open houses, etc. Please keep the DNR project manager updated on any such events.

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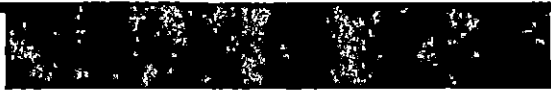
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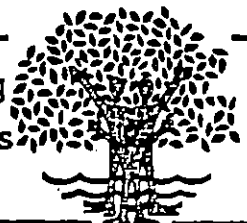
Michigan Department of Natural Resources
Waste Management Division

FISCAL YEAR 1995/1996

SOLID WASTE ALTERNATIVES PROGRAM

Instructions and Application for Funding
Grant and Loan Categories

Protecting
Michigan's
Future



Your Bond Dollars at Work



EQUAL RIGHTS FOR NATURAL RESOURCE USERS

The Michigan Department of Natural Resources, (MDNR) provides equal opportunities for employment and for access to Michigan natural resources. State and Federal laws prohibit discrimination on the basis of race, color, sex, national origin, religion, disability, age, marital status, height and weight. If you believe that you have been discriminated against in any program, activity or facility, please write the MDNR Equal Opportunity Office, P.O. Box 30028, Lansing, MI 48909 or the Michigan Department of Civil Rights, 1200 6th Avenue, Detroit, MI 48226, or the Office of Human Resources, United States Environmental Protection Agency, Washington, D.C. 20240.

For information or assistance on this publication, contact MDNR, Waste Management Division, P.O. Box 30241, Lansing, MI 48909-7741. A TDD number is available for persons who are hearing or speech impaired: 1-800-649-3777.

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**FISCAL YEAR 1995/96 SOLID WASTE ALTERNATIVES PROGRAM
APPLICATION SUBMISSION INFORMATION**

The application deadline is 5:00 p.m., Friday, December 2, 1994.

The application and all supporting documentation must be received in the Lansing Office of the Department of Natural Resources, Waste Management Division, Solid Waste Alternatives Program Unit, by 5:00 p.m., Friday, December 2, 1994. Applications submitted by facsimile machine will not be accepted. Applications must be complete and in final form. Applications that are incomplete may be deemed ineligible and receive no further consideration for funding.

Applications or additional application materials received after the application deadline date and time will be returned to the applicant and will not be considered, with the exception of those materials specifically requested by the DNR after the initial evaluation process (refer to pages iii & iv).

THE ORIGINAL PLUS TWO (2) COPIES OF THE ENTIRE APPLICATION MUST BE SUBMITTED. The application cover sheet must be signed.

The Department of Natural Resources encourages all applicants to use recycled paper in the preparation and copying of application materials. Applicants should use minimal binding materials for the original application -- no notebooks or covers.

MAILING ADDRESS FOR COMPLETED APPLICATIONS:

SOLID WASTE ALTERNATIVES PROGRAM UNIT
WASTE MANAGEMENT DIVISION
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30241
LANSING MI 48909-7741

STREET ADDRESS:

SOLID WASTE ALTERNATIVES PROGRAM UNIT
WASTE MANAGEMENT DIVISION
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
608 WEST ALLEGAN STREET
1ST FLOOR, JOHN A HANNAH BUILDING
LANSING, MICHIGAN 48933

All questions regarding application preparation and submission should be directed to staff of the Solid Waste Alternatives Program Unit at 517-335-4863. Refer to Appendix I of this application package for a list of program staff and telephone numbers. All correspondence should be sent to the above mailing address.

**FISCAL YEAR 1995/96 SOLID WASTE ALTERNATIVES PROGRAM
APPLICATION SCHEDULE**

Dates are approximate and subject to change.

APPLICATION WORKSHOPS
Late July and Early August 1994

APPLICATION DEADLINE
Friday, December 2, 1994, 5:00 p.m.

INITIAL APPLICATION EVALUATION BY DNR STAFF
December 1994 - March 1995

INITIAL DNR STAFF EVALUATION AND RECOMMENDATION SENT TO APPLICANTS
Early March 1995

SWAP ADVISORY GROUP MEETING (OPEN TO THE PUBLIC)
Late March 1995
Meeting date and location to be determined.

SUPPLEMENTAL APPLICATION MATERIALS DEADLINE
May 1995
(Actual deadline to be established at a later date)

FINAL DNR STAFF EVALUATION AND RECOMMENDATION
June 1995.

DNR DIRECTOR DECISION
July 1995

APPLICANT NOTIFICATION OF DNR DIRECTOR DECISION
July 1995

AWARD OF GRANTS AND LOANS
Upon Legislative appropriation of Fiscal Year 1995/96 funds
After October 1995

FISCAL YEAR 1995/96 SOLID WASTE ALTERNATIVES PROGRAM APPLICATION EVALUATION AND DECISION-MAKING PROCESS

Evaluation of grant and loan applications is a multi-step process. This process differs, somewhat from what is outlined in Act 328 and the Administrative Rules, as a result of Executive Order 1991-31 which altered Department decision-making in a number of areas. The majority of the evaluation responsibility falls within the Department of Natural Resources (DNR), Waste Management Division (WMD). The evaluation process also includes Department of Commerce staff, who evaluate financial information for loan applications and private sector grant applications, and the SWAP Advisory Group.

The major steps in the evaluation process are described below. Approximate time frames are also given although timing may change depending on the number of applications received.

Initial Staff Evaluation

Each application is reviewed by WMD staff in the Solid Waste Alternatives Program (SWAP) Unit. In the initial evaluation, staff determine whether the application is complete and meets the requirements of the Solid Waste Alternatives Program Administrative Rules and enabling legislation. Staff also evaluate all information provided in the application to identify application weaknesses and strengths, particularly for the priority evaluation areas.

The criteria considered in the staff evaluation are described in **Appendix D, Funding Priorities and Evaluation Criteria**. Applicants should carefully review Appendix D, in particular the discussion of priority evaluation items. Appendix D also includes a description of how the Department of Commerce evaluates financial information.

After staff complete their initial review of each application, they develop a written evaluation of the application. Based on this evaluation, as well as the Department of Commerce financial evaluation (as appropriate), an initial staff recommendation is made. This initial evaluation should be available in March 1995. There will be no contact between WMD staff and applicants during this initial evaluation process.

Review by the SWAP Advisory Group and the Public

The written staff evaluation is provided to applicants as well as the SWAP Advisory Group. The SWAP Advisory Group replaces the former SWAP Advisory Panel (as defined under Act 249 and the SWAP Administrative Rules), which was dissolved under Executive Order 1991-31. Members of the SWAP Advisory Group are invited to serve on the group from fiscal year to fiscal year by the Chief of the WMD. Members represent local units of government, public and private sector recycling experts and the general public.

The Advisory Group provides verbal comments to WMD staff prior to staff recommendations being finalized. Advisory Group comments are provided in a meeting which is open to the public and applicants. The meeting will take place in Lansing sometime in March or April 1995.

At this meeting, all applicants are given the opportunity to speak on behalf of their application and in response to the initial staff evaluation. Public comments will also be accepted.

Request for Supplemental Materials

After the initial staff evaluation and review with the SWAP Advisory Group, some applications may be determined to have merit but have weaknesses or areas requiring clarification that prevent them from being recommended for funding as is. The initial staff evaluation will identify these weaknesses or problems and the applicant will be instructed to prepare supplemental materials to respond to these concerns.

Not all applicants will be given the opportunity to submit supplemental application materials. If, after the initial evaluation and review with the Advisory Group, WMD staff determine that an application does not meet program or legislative requirements, is ineligible because it is significantly incomplete, or is extremely weak such that supplemental materials could not correct deficiencies, the application will not receive any further consideration for funding. Applicants should not assume they will have the opportunity to submit supplemental materials and should ensure their application is complete and clear as submitted by the December 2, 1994 deadline.

Those applicants instructed to prepare supplemental materials will be given specific instructions and a deadline for submitting the materials. Applicants will have approximately one month to prepare these materials. Applicants may contact WMD staff for guidance as they prepare these materials. The supplemental materials deadline will be sometime in May 1995 and will be established at a later date. No supplemental application materials will be accepted after the deadline.

Final Staff Evaluation and Director Recommendations

Supplemental materials will be evaluated by WMD staff and a final WMD staff funding recommendation will be developed for each application. Final WMD staff evaluations and recommendations will be presented to the DNR Director who makes funding recommendations for the Department. Applicants will receive a copy of the final staff evaluation. There will be an opportunity for public and applicant comment prior to the Director making final decisions.

It is anticipated that the Director will be making final funding recommendations in July 1995. Once the Director makes final recommendations, these recommendations are submitted to the Legislature. The Legislature is then asked to appropriate funds for the approved projects. An appropriations bill must be passed and signed into law before a grant or loan award can be made.

Awards for approved projects will be made after Legislative appropriation of Fiscal Year 1995/96 funds, sometime after October 1995. If the appropriation process is delayed, award of grants and loans will also be delayed. Project funds cannot be spent until after a grant or loan contract is executed. See Appendix B for a discussion on contract requirements for funding recipients.

**FISCAL YEAR 1995/96 SOLID WASTE ALTERNATIVES PROGRAM
INSTRUCTIONS AND APPLICATION FOR FUNDING**

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**FISCAL YEAR 1995/96 SOLID WASTE ALTERNATIVES PROGRAM
INSTRUCTIONS AND APPLICATION FOR FUNDING**

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THE SOLID WASTE ALTERNATIVES PROGRAM AN OVERVIEW

- The Solid Waste Alternatives Program is a grant and loan program for projects that will divert or assist in diverting Michigan's solid waste from landfills and incinerators.
- Grant and loan funds are provided by the "Protecting Michigan's Future" bonds as approved by the voters of Michigan through passage of Proposals C and D in November of 1988.
- The program is governed by the Environmental Protection Bond Implementation Act, Public Act 328 of 1988 (Act 328); the Clean Michigan Fund Act, Public Act 249 of 1986 (Act 249); and Administrative Rules established under Act 328.
- The program is administered by the Solid Waste Alternatives Program Unit, Solid Waste Program Section, Waste Management Division (WMD) of the Department of Natural Resources (DNR).
- Only projects which address solid waste as defined in Act 641, household hazardous waste or used motor oil generated from do-it-yourselfers are eligible for funding.
- Projects that result in the development of refuse-derived fuel, waste-to-energy fuel or any other type of fuel, with the exception of projects dealing with scrap tires, are not eligible for funding.
- New projects and expansions of existing projects are eligible.
- Units of government, private entities, non-profit groups, universities, institutions and individuals are eligible to apply.
- Proposed projects must be located in a Michigan county that has a DNR-approved county solid waste management plan update.
- For most categories, funding is available for capital expenditures only. All costs must be directly related to the project.
- Loans are set at a five percent interest rate and are to be paid back over ten years. Loan conditions, including the loan contract, are similar to private sector financing.
- Private for-profit entities are required to submit financial documentation of the financial viability of the applicant.
- Applications must be submitted by the application deadline.
- All information submitted to the DNR by applicants and funding recipients is public information.

- Applications are reviewed and evaluated by WMD staff. WMD staff also develop and present funding recommendations to the Director of the DNR. The DNR Director makes final funding recommendations to the Legislature.
- Recommended projects are scheduled to receive grant and loan awards in the next fiscal year (October of the calendar year after an application is submitted). Awards are made after the Legislature appropriates funds for the recommended projects.
- Funding recipients must enter into a contract with the DNR. The contract requires completion of the project as described in the application and includes other funding stipulations and requirements. For most projects, contracts require that the funding recipient maintain and operate the project for ten years.
- Once a contract is executed, funding is made available on a cost reimbursement basis. Costs must be incurred by the recipient before reimbursement is made.
- Funding recipients must keep detailed records of project accomplishments and submit detailed financial information to the DNR, including documentation (cancelled checks, invoices, timesheets, payroll accounts, etc.) for all costs incurred.
- Funding recipients must maintain project records and submit annual reports to the DNR for up to a ten year period after project completion.
- Market Development projects must be completed in 18 months and Household Hazardous Waste Centers must be completed in three years. All other proposed projects must be completed in 12 months.
- Funding is available for projects that fit within the following categories. Each category has a maximum grant or loan amount and requires a specific level of matching funds. Eligibility requirements for each category are set forth in the Administrative Rules.

Recycling-Collection/Processing: Funding is available for equipment, structures, materials and supplies needed for the collection and/or processing of Michigan recyclable materials that would otherwise be landfilled or incinerated.

Composting: Funding is available for equipment, structures, materials and supplies needed for the collection and composting of yard waste or other vegetative waste generated in Michigan to divert it from landfilling, open burning or solid waste incineration.

Resource Recovery Education: Funding is available for salaries and for the preparation and distribution of educational materials for projects which directly promote the use of an existing or planned local recycling or composting program.

Market Development: Funding is available for equipment, structures, materials and supplies for projects which use recyclable material generated in Michigan in the manufacture of an end-product or involve the intermediate processing of secondary recyclable materials to supply an end-market.

Market Development Research and Demonstration: Funding is available for equipment, materials, supplies and operating expenses, including salaries, for projects which develop methodologies to increase the processing or use of solid waste bound for Michigan landfills or incinerators in the manufacture of products.

Waste Reduction Research and Demonstration: Funding is available for equipment, materials, supplies and operating expenses, including salaries, for projects that focus on source reduction or on-site recycling to reduce the amount of solid waste generated at the source.

Household Hazardous Waste (HHW) Center: Funding is available for equipment, structures, materials, supplies and operating expenses, including costs of transporting and disposing of HHW, for projects that establish long-term, ongoing collection and proper disposal of HHW.

Waste-to-Energy: Funding is available for Recycling, Composting and Household Hazardous Waste Center projects (as previously described) to divert materials away from incineration. Or, for incinerators that already have recycling, composting and household hazardous waste centers in place, funding is available for air pollution control equipment and/or ash reuse or recycling.

APPLICATION REQUIREMENTS

A separate application must be submitted for each proposed project, and each application submitted must clearly fit into one funding category. All information submitted in the application must be current.

Required Application Components

To be considered complete, an application must include all of the following components, as outlined in this application package. In addition, loan applicants must submit the **Solid Waste Alternatives Program Loan Application form**.

Section & Application Component

- I. Application Cover Sheet (Form)
- II. Proposal Summary (Form and narrative format)
- III. Project Timetable (Form)
- IV. Budget Information (Form and narrative format)
- V. Economic Feasibility (Narrative format; also may include the Proposal Operating Plan form)
- VI. General Information (Narrative format; also must include Permit Coordination Information form)
- VII. Financial Information (Necessary for all private, for-profit applicants)
- VIII. Category Specific Instructions (Narrative format)

Refer to **APPENDIX A** for the application forms.

All applicants must complete **Sections I - VI** of the application (pages 7 - 31).

All private, for-profit applicants must also complete **Section VII. Financial Information** (page 32).

All applicants must complete **Section VIII. Category Specific Instructions**, according to the category of funding. Depending on the category of funding, the following category-specific pages of the application must be completed:

Category	Page Numbers
Recycling-Collection/Processing Projects	34 - 38
Composting Projects	39 - 43
Market Development Projects	44 - 48
Market Development Research and Demonstration Projects	49 - 52
Waste Reduction Research and Demonstration Projects	53 - 56
Resource Recovery Education Projects	57 - 58
Household Hazardous Waste Center Projects	59 - 61
Waste-To-Energy Projects	62 - 64

Application Format

- Information provided in the application should be formatted to correspond directly with the application instructions. Headings and numbering of responses should be consistent with the headings and numbering used in the instructions.
- Pages within the application must be numbered.
- The actual forms, or photocopies of the forms, as found in Appendix A of this application, should be used.

Eligibility Requirements

Questions and instructions marked with an "*" are eligibility requirements, as set forth in Act 328 and the Administrative Rules. Incomplete responses on these questions may result in a determination of ineligibility for a grant or loan. Applications determined to be ineligible will receive no further consideration for funding.

Eligibility Requirement Regarding Project Location

To be eligible for Solid Waste Alternatives Program funding, the county or counties in which the proposed project will be located must have a county solid waste management plan update which has been approved by the Department of Natural Resources (DNR) as required by Public Act 641 of 1978 (Act 641), the Solid Waste Management Act. The county solid waste management plan update must be approved by the DNR by the final application due date. Contact the county's designated county solid waste planning agency to determine the status of the planning process for the project county or counties. Refer to Appendix H for a list of county solid waste management planning agencies.

Documentation Requirements

As used in this application, the words "document" and "documentation" mean letters, statements, resolutions, contracts or other specific forms of written communication which serve to verify a commitment. Each document requiring a signature must be signed by someone who is legally authorized to do so. All documentation submitted with an application must be current.

Narrative coverage in the text of the application is only adequate documentation when the commitment is being made by the applicant and the applicant is able to make such a commitment. A commitment that is from an entity other than the applicant must be documented by a letter, statement, resolution or contract from that entity and signed by the entity's authorized representative.

Completeness of an Application

An application must provide all of the required application components and provide complete answers to all questions. Submission of a complete application package is an eligibility requirement, so applicants should be thorough and complete in the preparation of an application.

Grant and Loan Amounts and Match Requirements

All grants and loans require an applicant match as a percentage of the total grant or loan budget. In addition, there is a maximum grant or loan budget total based on the maximum State share for each category as outlined in the Administrative Rules. The chart on Page 13 includes the maximum grant and loan budget totals, maximum State share (grant or loan amount) and required match percentages for each funding category.

Loan Applications

In addition to this package, another separate application is required to be considered for a loan. The loan application can be obtained by calling the Solid Waste Alternatives Program Unit at 517-335-4863. An applicant may not apply for both a grant and a loan for the same project. For guidance on determining whether a grant or loan is appropriate, see Appendix E.

GUIDANCE FOR PREPARING AN APPLICATION

Review of the Application Package

Applicants should read this entire application package, including the appendices, before preparing an application. There are many application requirements that require considerable time to prepare, so review of the entire application early in the process is critical.

Applicants should carefully review **Appendix D, Funding Priorities and Evaluation Criteria**. Appendix D includes critical information on evaluation criteria and priorities used by DNR staff to make funding recommendations.

Program Legislation and State Solid Waste Policy

Applicants should review the enabling legislation for the program, the Administrative Rules for the program and the State Solid Waste Policy prior to developing an application.

Copies of the State Solid Waste Policy, the enabling legislation (Act 328), the Clean Michigan Fund Act (Act 249) and the Administrative Rules are available from the Solid Waste Alternatives Program Unit.

Applicant Contact with DNR Staff

Applicants are strongly encouraged to contact staff of the Solid Waste Alternatives Program Unit both before preparing an application and during the preparation of the application. Applicants should discuss project proposals with staff and seek guidance on preparing an application. A list of program staff is provided in Appendix I.

Contact with DNR staff is one of the most important aspects of application preparation. Staff are available to review written pre-proposals, meet in person with applicants and provide telephone consultation in response to specific questions. DNR staff can provide important guidance on preparing an application that may be critical to the success of an application.

Application Workshops

The DNR will hold application workshops in several locations across the State in July and August 1994. The workshops are attended by DNR staff and include a walk-through of the application, highlighting important application requirements. There is also opportunity for general questions and answers.

Applicants are strongly encouraged to attend an application workshop. A list of workshop locations, dates and times may be obtained by contacting the Solid Waste Alternatives Program Unit.

Information Required to Prepare an Application

As noted earlier, applicants should review the entire application as soon as possible. It will take time to gather the information needed to prepare an application and a number of the application requirements require certain tasks to be carried out several months before the application deadline. In many cases, the applicant must obtain information from outside sources, such as the designated solid waste management planning agency for the project county and material sources and markets.

Examples of the types of information the applicant must obtain and the tasks that must be completed in order to prepare an application are provided below. The application instructions provide greater detail on exactly what information and tasks are required.

Tasks that Need to be Completed Early in the Application Process:

- Applicants are encouraged to provide for local public participation in project planning. Establishing public participation mechanisms, such as citizen advisory committees and public meetings, and then documenting these efforts in the application, will strengthen a proposal.
- Applicants are required to place a newspaper ad in a local or a statewide paper (depending on the proposed project) describing the project and the applicant's intent to apply for a grant or loan. The ad must be placed early enough in the process to allow adequate time for public comment.
- Applications in several categories require the applicant to contact existing entities in writing to gather additional information about current or planned operations similar to the proposed project. This written contact must be made early enough in the process to allow sufficient time for existing entities to respond.

Information the Applicant Must Provide:

- Information about the applicant, including information about previous solid waste grants or loans received by the applicant.
- Detailed information about the proposed project.
- Information about the financial status of a private business applicant. This includes financial statements, business plans, sales projections and other financial information.

Information that Must be Obtained From Outside Sources:

- Written quotations for items to be purchased and/or services proposed to be subcontracted or provided by someone other than the applicant.
- Letter(s) of consistency from the designated county solid waste management planning agency in the project county or counties.
- Written commitments from material sources and end markets.
- Letters of support and/or commitment from the affected and participating parties.
- Information about the operations of existing entities and/or projects that provide or may provide the same services as the proposed project.
- Information about the solid waste management practices in the area to be served by the project.

Appendices: An important source of guidance

The following Appendices include important information and guidance for preparing an application:

- Appendix B:** Contract Requirements for Approved Applicants
- Appendix C:** Tracking Project Accomplishments
- Appendix D:** Funding Priorities and Evaluation Criteria
- Appendix E:** Guidance for Determining the Suitability of a Grant or a Loan
- Appendix F:** Example Letters (Existing Entity Contact, Source Commitments, Market Commitments, etc.)
- Appendix G:** DNR Waste Management Division District Offices
- Appendix H:** Designated County Solid Waste Management Planning Agencies
- Appendix I:** DNR Solid Waste Alternatives Program Unit Staff

---APPLICATION INSTRUCTIONS BEGIN HERE---

SECTION I. APPLICATION COVER SHEET (Appendix A, page A-1)

The Application Cover Sheet form should be the first page of the completed application. Do not place a letter, cover page or any other page on top of the cover sheet. The Application Cover Sheet must be signed by an authorized signatory of the applicant. The signatory must be authorized to make all of the commitments included in the application.

1. Fill in the complete and official applicant name. A grant or loan resulting from the application will be awarded to the applicant as named here. Joint applications must identify a lead agency.
2. & 3. Fill in the complete street address of the applicant.
4. & 5. Fill in the mailing address of the applicant, if different than the street address.
6. Fill in the area code and telephone number of the applicant.
7. Fill in the name and title of the applicant's authorized project contact person who may be reached at the above telephone number during weekdays from 8:00 a.m. - 5:00 p.m.
8. Fill in the Michigan township and county in which the applicant is located.
9. Fill in the Michigan township(s) and county(ies) in which the proposed project will be located. The project location is the area in which grant or loan-funded structures are to be built, grant or loan-funded equipment will be used, and/or where the majority of grant or loan-funded activities will be carried out.
10. Fill in the appropriate Michigan Senate and House district numbers.
11. Check the appropriate box. Private, non-profit applicants must provide documentation that the applicant is a legal non-profit organization as recognized by the Internal Revenue Service.
12. Category of grant or loan funding requested. Check only one.
13. Indicate whether a grant or a loan is being requested.

Loan applicants must fill out and submit a "Solid Waste Alternatives Program Loan Application" form in addition to this application package.

SECTION I. APPLICATION COVER SHEET (Continued)

Refer to **Section IV: BUDGET INFORMATION, PART 1** (page 11) for more information on the following Items 14, 15 and 16. The dollar amounts identified below should be identical to the dollar amounts for the budget total, matching fund share and State share listed on the Grant or Loan Budget form.

14. **AMOUNT OF GRANT OR LOAN FUNDING REQUESTED (STATE SHARE):** Fill in the dollar amount of funds requested. Round off to the nearest dollar. This dollar amount represents the State share of the total Grant or Loan Budget.
15. **MATCHING FUNDS COMMITTED (APPLICANT SHARE):** Fill in the dollar amount of matching funds committed by the applicant to be expended on the project as part of the Grant or Loan Budget. Round off to the nearest dollar.
16. **TOTAL OF STATE SHARE PLUS MATCHING FUNDS COMMITTED:** Total of Items 15 and 16. This amount must equal the total amount of the Grant or Loan Budget. Round off to the nearest dollar.
17. **SIGN AND DATE THE APPLICATION. The application must be signed by an individual authorized to make all of the commitments required in the application and required to implement the project if funding is approved. Unsigned applications will not be accepted.**

Attach a resolution or copy of a policy which documents that the individual signing the application is an authorized signatory of the applicant and is authorized to make all of the commitments contained in the application.

SECTION II. PROPOSAL SUMMARY (Appendix A, page A-2)

Prior to completing the Proposal Summary form, the applicant should first complete the detailed project description as required in **Section VI: GENERAL INFORMATION, Question VI.C.** (pages 24 and 25), and then summarize that information as instructed below:

1. Name of the applicant (from the Application Cover Sheet).
2. Funding category listed on the Application Cover Sheet.
3. Street address of the proposed project.
4. Geographic area where the solid waste stream will be impacted by the project.
5. Narrative summary (maximum of three pages) of the proposed project including all of the following:
 - A. Project goals.
 - B. Specific measurable objectives. Determine exactly what the project plans to accomplish, and describe it in measurable terms. Give specific tonnages and types of Michigan materials that are projected to be diverted from landfilling, solid waste incineration or both.
 - C. How the proposed project's goals will advance the goals of the State Solid Waste Policy.
 - D. Methodology used to achieve the project objectives. Describe what types of activities will occur to achieve each of the objectives.
 - E. Evaluation methods used to determine if goals and objectives have been met. Describe how the applicant and the Department of Natural Resources will know whether or not this program has been successful.

SECTION III. PROJECT TIMETABLE (Appendix A, page A-3)

Requirements for completing the Project Timetable form:

- The project time period must not exceed a one year period, with the exception of Household Hazardous Waste Center projects, which may extend over a three year time period, and Market Development projects, which may extend over an 18 month time period.
- Assume a project beginning date of October of the next calendar year after application submission. The project beginning date will have to be delayed if funds are not appropriated by October. A contract will be executed only after appropriation of funds.
- For Resource Recovery Education, Waste Reduction Research and Demonstration and Market Development Research and Demonstration projects, outline all tasks needed to implement the project.
- For Recycling-Collection/Processing, Composting, Market Development and Waste-to-Energy projects, outline all tasks needed to implement and begin to operate the project.
- For Household Hazardous Waste Centers, outline all tasks needed to implement the project and maintain project operations for up to a three-year period.
- All expenditures identified in the Grant or Loan Budget form, as provided in **Section IV: BUDGET INFORMATION, PART 1** (page 11), must be made during the Project Timetable period. The timetable should identify when all grant or loan budget items will be purchased.
- Submission of quarterly progress reports and reimbursement requests to the DNR should be included as a task.
- Tasks listed should correspond to the detailed description of the methods used for project implementation under **Section VI: GENERAL INFORMATION, Question VI.C.3.** (page 25) and tasks necessary for review of project progress as described in **Section VI: GENERAL INFORMATION, Question VI.C.4.** (page 25).
- For each task, provide the following information:
 1. Name of the task.
 2. Beginning date.
 3. Ending date.
 4. Group or person responsible for completion of the task.
 5. Location of the task.

SECTION IV. BUDGET INFORMATION

PART 1: GRANT OR LOAN BUDGET FORM (Appendix A, page A-4)

All costs identified in the Grant or Loan Budget must be eligible costs according to the funding category of the application. Expenditures must be made during the project period as identified in the Project Timetable. All figures should be rounded to the nearest dollar.

Complete the Grant or Loan Budget form following these instructions:

1. Itemize and Calculate the Budget Total

The Grant or Loan Budget form should include a separate line item for each eligible cost that will be covered by the State share and applicant match. A detailed description of and justification for each of these eligible costs is required in **PART 2, Question 2** of this section. A list of eligible budget items for each category is included in **Section VIII: CATEGORY SPECIFIC INSTRUCTIONS**.

The Grant or Loan Budget total may not exceed the amount identified on the charts on page 13.

If there are eligible costs above the maximum budget amount that are required to implement the project, these costs must be listed and described separately in **PART 3, Question 1** of this section and should not be included on the Grant and Loan Budget form. If there are ineligible costs required to implement the project, these costs must also be listed and described separately in **PART 3, Question 1** of this section and should not be included in the Grant or Loan Budget form.

INELIGIBLE budget items under all funding categories include:

- Contingency funds
- Fees
- Licenses or permits
- Legal Costs
- Vehicle Registration
- Land acquisition
- Indirect or overhead expenses
- Taxes
- Grant or loan administration costs
- Office equipment, including computers
- Replacement of existing equipment is **INELIGIBLE** for a grant, but is an eligible item for a loan in any appropriate category.

SECTION IV. BUDGET INFORMATION (Continued)

*2. Determine the Match

The match must equal the appropriate percentage of the total grant or loan budget as calculated in Item 1 above. Required match percentages are given in the charts on page 13.

A commitment of the correct match amount is an eligibility requirement. If the applicant's match amount has been calculated incorrectly and the amount is too low, the applicant will be considered as having an insufficient match and may be considered ineligible for funding.

There may be additional costs that will be covered by the applicant, such as costs above the maximum budget amount and ineligible items. These costs should be listed and described separately in **PART 3**, Question 1 of this section and should not be included as a part of the match identified on the Grant or Loan Budget form.

*3. Determine the State Share (Grant or Loan Amount Requested)

The State share is the amount of grant or loan funding being requested by the applicant. It equals the difference between the total grant or loan budget and the match. The State share of the budget may not exceed the amount listed in the charts on page 13. If in developing the budget, the State share exceeds the maximum amount, the applicant must subtract out items from the total grant or loan budget until the State share is within the allowable amount.

Refer to the tables on the following page to determine the appropriate State share, matching fund share and grant or loan budget total.

SECTION IV: BUDGET INFORMATION (Continued)

GRANT BUDGET

REQUIRED MATCH, MAXIMUM STATE SHARE AND MAXIMUM BUDGET TOTAL

CATEGORY	MATCH PERCENTAGE	MAXIMUM STATE SHARE (GRANT AMOUNT)	MAXIMUM TOTAL BUDGET*
Composting	25%	\$ 250,000	\$ 333,334
Recycling-Collection/Processing	25%	\$ 500,000	\$ 666,667
Household Haz. Waste Center	25%	\$ 100,000	\$ 133,334
Resource Rec. Education	25%	\$ 50,000	\$ 66,667
Market Development	25%	\$5,000,000	\$6,666,667
Market Dev. Research/Demo.	15%	\$ 250,000	\$ 294,118
Waste Reduc. Research/Demo.	15%	\$ 250,000	\$ 294,118
Waste-to-Energy		---- See category specific information ----	

LOAN BUDGET

REQUIRED MATCH, MAXIMUM STATE SHARE AND MAXIMUM BUDGET TOTAL

CATEGORY	MATCH PERCENTAGE	MAXIMUM STATE SHARE (LOAN AMOUNT)	MAXIMUM TOTAL BUDGET*
Composting	10%	\$ 500,000	\$ 555,556
Recycling-Collection/Processing	10%	\$1,000,000	\$1,111,111
Household Haz. Waste Center	10%	\$ 150,000	\$ 166,667
Resource Rec. Education	10%	\$ 100,000	\$ 111,111
Market Development	10%	\$5,000,000	\$5,555,556
Market Dev. Research/Demo	10%	\$ 500,000	\$ 555,556
Waste Reduc. Research/Demo	10%	\$ 500,000	\$ 555,556
Waste-to-Energy		---- See category specific information ----	

*This amount has been rounded off. All costs above the maximum total grant or loan budget should be listed separately from the Grant and Loan Budget form.

SECTION IV: BUDGET INFORMATION (Continued)

PART 2: BUDGET NARRATIVE

Using the above heading, provide the following information in the same order and with the same numbers as listed here.

1. Provide quotations for each item or service to be provided by someone other than the applicant. Two quotations are required for any structure and for each piece of equipment costing over \$10,000. If two quotes are unavailable, explain why.

Quotations may reflect the cost of the item or service at the time it will actually be purchased. Grant or loan budgets may be adjusted to account for the time difference (i.e. inflation) between quote acquisition and actual purchase of the item. Any adjustment over four percent of the prices indicated by the quotations must be explained.

If the grant or loan budget does not include the lowest price reflected in a quotation, an explanation for why a higher quoted price was selected must be provided.

2. In outline form, as explained in Items A-F below, provide a detailed description of and justification for each item listed on the Grant or Loan Budget form. The detailed description should clearly indicate which budget item on the form is being described. Any item or service to be subcontracted must also be described as outlined below.

As a part of the justification for each budget item, describe any alternatives to the items requested that were considered.

A. Equipment

Equipment is an eligible item for the following categories: Recycling-Collection/Processing, Market Development, Market Development Research and Demonstration, Waste Reduction Research and Demonstration, Waste-to-Energy, Composting and Household Hazardous Waste Center. Office equipment and computers are not eligible.

Market Development Research and Demonstration, and Waste Reduction Research and Demonstration applicants should avoid requests for purchase of costly equipment and when cost effective, should consider leasing equipment.

Remember: A price quotation is required for each piece of equipment and two quotations are required for each piece of equipment costing over \$10,000.

SECTION IV: BUDGET INFORMATION (Continued)

Provide the following information for each piece of equipment included in the grant or loan budget:

- i) Rationale and justification of need as it relates to the project's ability to recover the targeted materials. Cost must be justified in relationship to the volume of materials to be handled as part of the project. As a part of the justification, provide an inventory of existing equipment that may be utilized in the proposed project. For each piece of existing equipment listed in the inventory, include its operating capacity and an explanation of how it is currently being used.
- ii) Quantity.
- iii) Type.
- iv) Specifications, including equipment capacity.
- v) Installation, freight and other equipment preparation expenses.
- * vi) Plans, drawings or schematics which depict equipment and equipment layout, on site or within a structure. Prior to contract approval and when appropriate, engineering plans, drawings or schematics, approved by a licensed professional engineer, must be provided.
- vii) Proposed equipment operating time (hours per day, days per week).
- viii) Indicate if equipment to be purchased is new or used. Applicants should consider used equipment in instances where appropriate. Reconditioned forklifts, trailers and packer trucks (as used in paper recycling programs) are examples where used equipment successfully serves the intended purpose and substantially increases the cost effectiveness of the proposal. Should used equipment be requested, an independent written appraisal may be required by the DNR.
- ix) A description, if any, of the applicant's affiliation with the owner(s) of equipment to be purchased.

B. Structures and Site Development Costs

Structures and site development costs are eligible for the following categories: Recycling-Collection/Processing, Market Development, Waste-to-Energy, Composting and Household Hazardous Waste Center.

Remember: Two quotations are required for each structure. Quotations for structures should be detailed and include information on construction subcontracting (e.g. plumbing, electrical, site development, etc.). Two quotations are required for site development costs when these costs are not associated with the cost of a structure.

SECTION IV: BUDGET INFORMATION (Continued)

If the applicant proposes to use in-house labor for construction and/or site development activities, only the direct labor cost -- no overhead or profit -- and the direct cost of supplies and materials may be included.

Provide the following information for any structures and site development costs included in the grant or loan budget.

- i) Rationale and justification of need as it relates to the project's ability to recover the targeted materials. A structure's size and cost and all site development costs must be justified in relationship to the volume of materials to be handled as part of the project. If a structure or a site is being sized with a provision for future expansion, that provision must be strongly justified.

For structures and associated site development costs, provide:

- i) Sketches, drawings or schematic layout(s) that clearly show the following:
 - a) Dimensions (widths, lengths, and heights) of the structure.
 - b) Property layout complete with boundary lines, including a north arrow and sufficient detail to accurately identify the location of the new structure, and orient project location to the surrounding area.
 - *c) When appropriate and prior to contract approval, engineering plans, drawings or schematics, approved by a licensed professional engineer, must be provided.
- ii) Building capacity.
- iii) Description (e.g., pole barn).
- iv) Specifications and construction materials.
- v) Utilities.

For site development costs not associated with a structure, provide:

- i) The size of the site.
- ii) A detailed description of work to be done and all associated costs.

C. Materials and Supplies

Materials and supplies are eligible for all categories, but must be directly related and essential to the project. Office equipment and supplies are not eligible. Educational and Promotional materials should be described under Question E on page 18.

Remember: A quotation is needed for materials and supplies to be provided by someone other than the applicant.

SECTION IV: BUDGET INFORMATION (Continued)

Provide the following information for any materials and supplies included in the grant or loan budget.

- i) Rationale and justification of need related to project.
- ii) Quantity.
- iii) Description.

D. Salaries

Salaries are eligible for the following categories: Resource Recovery Education, Market Development Research and Demonstration, Waste Reduction Research and Demonstration and Household Hazardous Waste Center.

Salary costs for Resource Recovery Education projects can only be used for educational activities. Salary costs for project and program operations are not eligible.

Salary costs for Household Hazardous Waste Center projects should focus on locating or organizing reuse alternatives.

Salary costs may only include an employee's net or gross salary, including the portion of the employee's salary that is withheld in State and federal payroll taxes. The employee's share of FICA can also be included. Overhead, indirect costs, general administration and "profit" are ineligible costs and may not be included in salary costs. The employer's share of State and federal payroll taxes, FICA and fringe benefits is not eligible.

Funding recipients and their subcontractors must have some type of time accounting system in place to keep track of the hours each person works on the project. Copies of these records are required as a part of the cost reimbursement process if a grant or loan is awarded.

Remember: A quotation that meets the above requirements must be submitted for salary costs for persons that are not employees of the applicant (e.g. a subcontractor's salary).

Provide the following information for any salaries, including subcontractor's salaries included in the grant or loan budget.

- i) Rationale and justification of need related to the project, including the need for the number of staff and total hours devoted to the project.
- ii) Whether the person(s) are new or existing staff.
- iii) Whether salary costs are gross or net salary costs.

SECTION IV: BUDGET INFORMATION (Continued)

- iv) Using the following format, identify the tasks, total hours assigned to the project, rate of pay and total salary costs associated with each member of the project team whose salaries are a part of the project budget.

NAME	TASKS	TOTAL HOURS	PAY RATE	TOTAL SALARY COSTS
<hr/>				
<hr/>				

E. Educational and Promotional Materials, Presentations & Advertising

Resource Recovery Education applicants should describe costs associated with development, production and distribution of educational materials (such as design, printing, photocopying and postage) and costs associated with presentations (such as travel).

Certain categories allow up to ten percent of the total grant or loan budget, not to exceed \$10,000, to cover the cost of educational and promotional materials. These categories are: Recycling-Collection/Processing, Market Development Research and Demonstration, Waste Reduction Research and Demonstration, Market Development, Waste-to-Energy, Composting and Household Hazardous Waste Center. Costs associated with development, production and distribution of educational and promotional materials (such as design, printing, photocopying and postage) that are included in the budget should be described. Salary costs to carry out educational and promotional activities are not eligible in these categories.

Remember: A quotation is needed for items or services to be provided by someone other than the applicant.

Provide the following information for any educational and promotional materials, presentations and advertising included in the grant or loan budget.

- i) Rationale and justification of need related to project.
- ii) For educational materials, promotional materials and advertising, provide a description of the materials and the costs, including the following:
 - Type. (EXAMPLE: brochure, video, newspaper ad)
 - Content and purpose.
 - Size, length or duration. (EXAMPLE: 8 1/2 x 11 brochure, 30-second video, 3-day ad)
 - Quantity.

SECTION IV: BUDGET INFORMATION (Continued)

- Source of materials. (For Resource Recovery Education projects, if materials are to be developed by staff, time and tasks should be included under salary costs.)
 - Rationale of need for new materials (if existing materials are not to be used).
 - Audience to be reached, rationale for selecting this audience and total number to be reached.
 - Method of reaching audience (distribution method) and rationale for selecting this method.
 - Breakdown of costs (printing, photocopying, design, mailing, newspaper space, etc.).
- iii) Provide a description of any presentations and associated costs, including the following:
- Content and purpose.
 - The number of presentations to be made.
 - A description of the audience (types of groups and individuals) and rationale for selecting this audience.
 - Total number of people to be reached.
 - Breakdown of costs (travel, etc.). If salary costs associated with presentations are included in the budget, include a description under salary costs.

F. Operating Expenses

Operating expenses are eligible for the following categories: Resource Recovery Education, Market Development Research and Demonstration, Waste Reduction Research and Demonstration and Household Hazardous Waste Center.

For operating expenses not already described, provide a description as outlined here. These costs might include travel, postage and telephone expenses. Disposal costs for Household Hazardous Waste Centers may be included.

Remember: A quotation is needed for items to be provided by someone other than the applicant.

Provide the following information for any operational costs included in the grant or loan budget and not described elsewhere in the application:

- i) Rationale and justification of need related to project.
- ii) Description of costs, including quantities when appropriate.

SECTION IV: BUDGET INFORMATION (Continued)

PART 3: ADDITIONAL BUDGET INFORMATION

1. List all costs not included in the Grant or Loan Budget form that are required to implement the project--such as costs above the maximum budget amount or ineligible budget items. Briefly describe these additional and/or ineligible costs. Identify the source of funds to cover these costs. Applications that do not include information on the source of funding for additional and/or ineligible costs may be deemed incomplete and ineligible. Contribution of additional funds by the applicant strengthens an application.
2. Describe any items that will be purchased as part of the total Grant or Loan Budget that are manufactured from recycled materials. Include the types and actual percentage of scrap material incorporated into the manufacturing of the product.

SECTION V. ECONOMIC FEASIBILITY

PART 1: ECONOMIC FEASIBILITY NARRATIVE

All applicants must complete PART 1.

Using the above heading, provide the following information in the same order and with the same numbers as listed here.

1. Provide a feasibility study or sufficient information supporting the proposed project's economic viability.
2. Provide a description of the business and accounting plans for the proposed project. This must identify the methods used to track the funding and other business aspects of the proposed project.
3. Provide a discussion on the need for State funding to carry out the proposed project. As a part of this discussion, identify what other sources of funding the applicant may have available to fund this project, and discuss what efforts would be taken to implement this project if State funds are not awarded. If the applicant is applying for a grant, include in this discussion an explanation of the need for grant funding, as opposed to loan funding.

If the applicant has to prepare the Proposal Operating Plan form as required by PART 2 of this section, the above discussion should partially be based on the financial sustainability of the project as reflected in the Proposal Operating Plan.

PART 2: PROPOSAL OPERATING PLAN AND DEMONSTRATION OF ADEQUATE RESOURCES

Applicants under the following categories must complete PART 2, Questions 1 and 2: Recycling-Collection/Processing, Composting, Market Development, Waste-to-Energy and Household Hazardous Waste Center.

1. **Proposal Operating Plan (Appendix A, page A-5)**
 - A. Complete the Proposal Operating Plan form for at least a six year period, beginning with October of the calendar year after application submission. Use best available estimates; show low and high estimates when appropriate. Modifications of this form are acceptable.

The Proposal Operating Plan form must list all expenses needed for project implementation, not just those expenses listed within the Grant or Loan Budget.

- B. Provide a brief description of the expenses and revenues itemized on the Proposal Operating Plan form. Describe the assumptions and rationale used to determine revenues.

SECTION V. ECONOMIC FEASIBILITY (Continued)

***2. Demonstration of Adequate Resources**

- A. Provide a demonstration that the applicant has adequate resources to complete all of the activities in the Project Timetable form and provide for the maintenance and operation of the proposed project for ten years after project completion.

As a part of the demonstration of adequate resources, list and discuss all of the following resources that will be used to support the proposed project. Provide outside documentation when appropriate.

- i) Identifiable monetary resources.
 - ii) Land, buildings and equipment.
 - iii) Personnel.
 - iv) Insurance coverage.
 - v) Support services.
- B. Clearly describe how ongoing project operations will be funded, including a description of revenue sources that will sustain the project for ten years. If a municipality proposes new fees or taxes to fund the project, describe what steps will be taken to establish such fees or taxes.
- C. Identify and document the source of matching funds.

NOTE: All private, for-profit applicants must also complete Section VII: FINANCIAL INFORMATION (page 31).

SECTION VI. GENERAL INFORMATION

Using the above heading, provide the following information in a narrative format in the same order and with the same numbers as listed here.

NOTE: IN PREVIOUS GRANT AND LOAN CYCLES MANY APPLICATIONS WERE NOT FUNDED BECAUSE OF INCOMPLETE OR MISSING GENERAL INFORMATION.

QUESTIONS/INSTRUCTIONS MARKED WITH AN "*" ARE ELIGIBILITY REQUIREMENTS. Incomplete responses on these questions may result in a determination of ineligibility for a grant or loan.

VI.A. Current Solid Waste Management Practices

NOTE: A RESPONSE TO THIS QUESTION (VI.A.) IS NOT REQUIRED FOR THE MARKET DEVELOPMENT RESEARCH AND DEMONSTRATION AND WASTE REDUCTION RESEARCH AND DEMONSTRATION CATEGORIES.

As directly related to the proposed project, briefly describe and discuss the current solid waste management practices of the area to be impacted by the project. This information should clearly demonstrate the need for the proposed project in terms of the existing solid waste management situation.

Include the following:

1. A brief description of the population and socio-economic situation of the area to be impacted by the project.
2. A description of the entire solid waste stream. Provide information on what percentage of the waste stream is comprised of the materials to be targeted by the project.
3. A description of existing municipal solid waste disposal practices, including handling, sorting, storage, collection, transportation, landfilling and incineration. For the materials targeted by the proposed project, provide estimates of current generation rates and disposal methods. Include the capacity of existing licensed landfills and transfer stations and pertinent information about landfill and transfer station conditions.
4. A discussion of the costs of the current solid waste disposal systems. Include information on landfill tipping fees, transfer station fees and collection costs. Also include information on transportation and distance to licensed disposal facilities. Include a discussion of any other significant issues related to costs.

SECTION VI. GENERAL INFORMATION (Continued)

5. A description of existing programs or entities in the area to be served by the project which provide disposal alternatives for any or all of the municipal solid waste stream and specifically for the materials targeted by the proposed project. Identify (name and location) and describe the organized reuse, salvage, composting, recycling and processing operations and end markets in the area that keep materials from entering the solid waste stream. Specifically identify which of these entities or programs provide disposal alternatives for the materials to be targeted by the proposed project and provide any information available on current recovery rates.
6. A summary of the solid waste management needs and goals of the project county(ies) as outlined in the county solid waste management plan(s).
7. Based on the information provided in response to Questions 1 through 6 above, provide a discussion of how the proposed project will help meet the solid waste management needs of the area.

VI.B. Applicant's Qualifications

1. Provide information on the applicant's background which demonstrates the applicant's ability to carry out the project in terms of the history of the applicant's involvement with the solid waste management practices, including recycling and composting, of the area to be served by the project. Include the following:
 - Past attempts and successes in dealing with the solid waste management concerns of the locality.
 - Cooperative efforts with other organizations or individuals.
 - Cooperative ventures with adjacent municipalities on recycling and composting projects (e.g., development of a regional resource recovery organization, jointly sponsored recycling and composting initiatives or regional materials marketing strategies).
2. Describe any other information that demonstrates the applicant's capability to carry out the proposed project. Include the experience of the applicant related to the type of project proposed. Applicants should be thorough in responding to this question because Act 328 requires that an applicant demonstrate their capability to carry out the proposed project.
3. Describe the company, corporate or governmental ownership and/or organizational structure. Elaborate on staffing and other organizational structures. Explain how the proposed project will impact the current organizational structure.

SECTION VI. GENERAL INFORMATION (Continued)

4. Provide the following information regarding previous grants and loans:

- a. Describe all previous grants or loans received by the applicant through Act 249 (Clean Michigan Fund), Act 328 (Environmental Protection Bond Implementation Act), the Public Service Commission Resource Recovery Demonstration Grant Program or other grants or loans for programs or projects related to solid waste or resource recovery.

Include the following for each previous grant or loan:

- The name of the grant or loan program providing funding.
- The name of the agency sponsoring the grant or loan program.
- The specific accomplishments of the project funded compared to the goals of the program. For grant or loan categories in which it is appropriate, give specific tonnages and types of materials.

***ONLY NEW PROJECTS OR NEW COMPONENTS OF PROJECTS FUNDED PREVIOUSLY ARE ELIGIBLE FOR GRANTS OR LOANS.**

IF THE PROPOSED PROJECT IS AN EXPANSION OR NEW COMPONENT OF AN EXISTING PROJECT WHICH HAS RECEIVED PREVIOUS GRANT OR LOAN FUNDING, INCLUDING CLEAN MICHIGAN FUNDS OR SOLID WASTE ALTERNATIVES PROGRAM FUNDS, INCLUDE THE FOLLOWING:

- The differences in the proposed project and the previously funded project.
- The rationale and need for additional funding for this project.

- b. List any previous grants or loans applied for but not received in past application periods under either the Clean Michigan Fund or the Solid Waste Alternatives Program.

5. List any other Solid Waste Alternatives Program grant or loan applications submitted by the applicant during this application period. Describe these applications and their relationship to the proposed project.

VI.C. Project Description

1. Provide the following information for the proposed project.

- a. Project goals.
- b. Specific measurable objectives. Determine exactly what the project will accomplish and describe it in measurable terms. Give specific tonnages and types of Michigan materials that are projected to be diverted from landfilling, solid waste incineration or both.

SECTION VI. GENERAL INFORMATION (Continued)

2. Justify the initiation or expansion of this project in terms of the State Solid Waste Policy.
3. Provide a detailed discussion of the methods and technology to be used to implement the project. This discussion should include the following:
 - A complete description of the entire operations related to implementing the project. The discussion should not be limited to only that part of the operations to be funded by the grant or loan. For example, describe the entire composting or recycling operation, including all aspects of collection, processing and marketing.
 - If the proposed project is an expansion of or an addition to the applicant's current operations/activities, include a description of the current operations/activities and how the proposed project will fit into the current operations/activities.
 - A detailed description of each task listed in the Project Timetable form.
4. Describe the process to be used for measuring and reviewing the progress and success of the project. Include the specific types of data collection or project measurement methods that will be used to determine and track project accomplishments.

Examples of project measurements are provided in Appendix C.

Successful applicants will be required to provide these project measures in quarterly reports, a final report and an annual update for a period of up to ten years as a part of the grant or loan contract.

5. Include a feasibility study or sufficient information to show that this project is technically feasible.
6. Describe project staffing needs and explain how they will be met. This must be included even where the grant or loan funds will not be used to pay for staff. Include the following:
 - a. A project organizational chart with specific job descriptions of individuals to be involved with the project.
 - b. Resumes of the key personnel who will implement the project. A description of relevant experience or qualifications should be included.
 - c. The name and qualifications of the individual who will be responsible for the business and accounting plans of the project.

SECTION VI. GENERAL INFORMATION (Continued)

VI.D. Providing an Opportunity for Public Comment

1. To solicit public comments on the proposed project, applicants must place a notice in a local newspaper that provides the following information:
 - Applicant's name and mailing address.
 - Applicants intent to seek grant or loan funds from the Department of Natural Resources for a (category name) project.
 - A brief description of the project, including geographic area to be served and materials to be handled.
 - A request that interested parties provide written comments about the proposed project to the applicant with a copy to the DNR at the following address: DNR-Waste Management Division, Solid Waste Alternatives Program, P.O. Box 30241, Lansing, MI, 48909.
 - A date by which comments must be submitted to the applicant and the DNR. Provide at least two weeks for comment.

The notice should be placed in the newspaper serving the area where the project is to be located. Projects with statewide impact should place the notice in the Detroit News or the Detroit Free Press. The ad should run for at least two days.

Applicants should be prepared to provide more detailed information about the proposed project to anyone requesting such information.

2. Provide a copy of the ad which documents its content, the dates it was printed and the name of the newspaper.
3. Provide a copy of all comments received as a result of the ad.
4. Provide a narrative discussion summarizing the comments received and any response or rebuttal to the comments.

Important Note: Applicants in the Recycling-Collection/Processing, Composting and Market Development categories are also required to solicit comments from existing entities which might be impacted by the project. These comments must be solicited directly by letter as described in **Section VIII: CATEGORY SPECIFIC INSTRUCTIONS**. For those applicants, a single discussion which provides a response to existing entity comments as well as general public comments received as a result of the newspaper ad, may be provided under **Section VIII: CATEGORY SPECIFIC INSTRUCTIONS**.

SECTION VI. GENERAL INFORMATION (Continued)

5. Discuss and document additional efforts taken to provide for public participation (such as public meetings, citizen advisory groups, etc.) in project planning and design. Applicants, in particular local units of government that will be imposing new fees or taxes to generate operational funds, are encouraged to provide for public participation in project planning. Documentation of public knowledge and support for the project will strengthen an application.

VI.E. Information Documenting Project Support and Coordination

Provide documentation (i.e. letters of support) of the commitment and interest of local municipalities, businesses, community groups, volunteers or other affected parties to undertake, support and participate in the project.

A letter of support should be included from each entity whose cooperation is needed to implement the project. Each letter should clearly document the entity's understanding of the proposed project and their role.

Some examples of when letters of support and commitment are needed:

- Projects which involve new construction should include letters of support from the local government officials for the project location.
- Resource Recovery Education projects should include letters from groups the project intends to target educational efforts towards, such as letters from school officials or community groups.
- Municipal projects, such as materials recovery facilities, that require the involvement of private sector haulers or processors should include letters from the haulers and/or processors.
- Private sector projects that require the involvement and support of local units of government should include letters from the government officials.
- Regional, county and multi-community projects should include letters of commitment from each of the local units of government involved in the project.

In addition to letters of support, some categories require letters of commitment from material sources and end-markets as described in the **Section VIII: CATEGORY SPECIFIC INSTRUCTIONS.**

SECTION VI. GENERAL INFORMATION (Continued)

*VI.F. Documentation of Project Consistency with Approved County Solid Waste Management Plan Updates

All applications for the Market Development, Recycling-Collection/Processing, Composting, Resource Recovery Education and Household Hazardous Waste Center categories must complete Question 1 below.

In addition, applications for the Market Development, Recycling-Collection/Processing, Composting and Household Hazardous Waste Center categories may require that Question 2 be completed as well.

1. Provide a letter from the designated county solid waste planning agency of the county or counties in which the project is located. Each letter must state that the proposed project is consistent with the approved county solid waste management plan update for that county.

In addition to Question 1 above, proposed projects that involve the transportation of solid waste from one county to another must also complete Question 2 below.

2. Provide a letter from the designated county solid waste planning agency for the receiving and/or shipping county or counties. Each letter must state that the shipping of solid waste out of the project county or the receipt of solid waste from the project county is consistent with the approved county solid waste management plan update for the county that is shipping or receiving waste.

Letters of consistency are not needed from shipping and/or receiving counties if the project only involves the transportation (shipping and/or receiving) of source separated recyclable material. For the purposes of this application, "source separated recyclable material" means specific materials such as glass, metal, paper, plastic, vegetative matter, etc. sorted from other discarded material.

NOTE: Letters of consistency are an important eligibility requirement. Questions regarding this requirement as outlined in Questions 1 and 2 above should be directed to staff of the Solid Waste Alternatives Program Unit.

A list of designated county solid waste management planning agencies is provided in Appendix H.

SECTION VI. GENERAL INFORMATION (Continued)

VI.G. Land Use/Ownership Arrangements

1. Provide documentation of proof of ownership or land use arrangements for the project site(s).
2. If the applicant is not the land owner, provide a copy of the lease and an indication of the land owner's knowledge and willingness to allow the operation to take place for the next six years.
3. Describe the type of ownership (i.e. partnership, corporation, etc.) and the applicant's affiliation, if any, with the owner of the land.

VI.H. Permit Coordination Information Form (Appendix A, page A-6)

1. Complete and include as part of the application the Permit Coordination Information Form. (Not applicable to Resource Recovery Education applications). Make sure both sides of the form are included.

If a "yes" answer is provided to any of the questions on the Permit Coordination Information Form, the applicant may need a permit. Further information regarding a "yes" answer may be obtained by calling the telephone number listed with that question. For general information regarding permit requirements or coordination, call the DNR Permit Coordinator, Local Government Liaison at 517-335-4235. If a grant or loan is awarded for the proposed project, the recipient must have all permits required by law that are necessary to complete the project prior to receiving any reimbursement under the grant or loan.

2. Indicate what steps the applicant has taken to obtain any permits that may be required as identified in the Permit Coordination Information Form. Include documentation of any contact with appropriate DNR staff.

VI.I. Projects That Involve or May Involve Potentially Hazardous Materials

1. Applications for grants or loans for projects involving used oils, household hazardous waste, drum reuse, battery collection or other toxic substances must provide:
 - a. Documentation of communication with the appropriate DNR, Waste Management Division (WMD) District staff indicating any concerns that District staff may have regarding the proposed project.

A list of WMD District offices is provided in Appendix G.

SECTION VI. GENERAL INFORMATION (Continued)

- b. A listing of the specific concerns or recommendations of District staff. Lack of concerns must also be documented.
- c. The actions proposed to implement recommendations or to mitigate concerns of the District staff and the District staff's response acknowledging and accepting the proposed actions.

Applications for projects involving used oil collection should reflect recommendations set forth in the document titled "Recommended Design Criteria for Used Motor Oil Collection Facilities." This document is available from the Solid Waste Alternatives Program staff.

2. For any potentially hazardous substances which may be encountered, the following information must be provided:
 - a. A list of the hazardous substances.
 - b. A detailed description of hazardous substances handling and storage procedures.
 - c. Documentation of the arrangement for the proper disposal of any hazardous substances which may be encountered.

VI.J. Use of Recycled Products and Recycling Activities Above and Beyond Proposed Project

Provide information on current procedures or programs operated by the applicant to:

- a. Purchase recycled products or materials.
- b. Recycle plastic, tin, aluminum, glass, paper, batteries, used oil or other materials, which is occurring above and beyond the recycling which will take place as a result of the proposed project.

SECTION VII. FINANCIAL INFORMATION

Although some of the financial information requested below may be provided elsewhere in the application, the Michigan Department of Commerce will be reviewing **this section only**. The following financial information should be submitted under this section of the application even if it is duplicated elsewhere in the application.

All private for-profit applicants must submit the following:

1. History and description of the applicant, including all of the following:
 - i) Ownership of the company.
 - ii) Any affiliate, parent or subsidiary relationships.
 - iii) A description of the product(s) manufactured by the applicant.
 - iv) A description of major competitors offering the same or similar products.
2. An organization chart for the applicant's management team and resumes of key management personnel.
3. Audited historical financial statements for the applicant, including balance sheets and income statements for the three most recent complete years of operations. If audited financial statements are not available, explain why, and provide historical financial statements certified as true and accurate by an authorized representative of the applicant.
4. Current financial statements for the applicant, including balance sheets and income statements, dated within 90 days of application submission, and certified as true and accurate by an authorized representative of the applicant.
5. The name and address of the bank handling the applicant's business accounts. The name and telephone number of the bank officer handling the applicant's accounts should also be provided.
6. If the applicant has been in operation for less than one year OR if the applicant is requesting grant or loan funding for the manufacture of a product new to the company, the following information must also be submitted:
 - A. Two year projected balance sheets and income statements. The information must include a description of and the basis for all assumptions made in creating the statements. Sales projections must be substantiated with bids; purchase orders, purchase order quotes, sales contracts or other similar types of evidence.
 - B. The business plan for the company.

NOTE: The applicant may choose to provide additional information regarding the financial viability of the company, such as: a) an explanation of any losses (negative profit after tax); b) an explanation of liabilities which appear to be in excess of ability to repay; and c) an explanation for declining sales revenues.

SECTION VIII. CATEGORY SPECIFIC INSTRUCTIONS

Using the above heading, information submitted in this portion of the application should be titled with the name of the specific funding category for which the applicant is applying, (e.g., Section VIII. Resource Recovery Education Project). Responses should be numbered with the same numbers used in the instructions. Respond only to those questions in the category for which the applicant is applying.

Questions marked with an "*" are eligibility requirements that must be answered completely.

NOTE: Waste-to-Energy applicants may also need to complete category specific information for the Recycling-Collection/Processing, Composting and Household Hazardous Waste Center categories.

Questions specific to each category can be found in this section of the application as follows:

Category	PageNumbers
Recycling-Collection/Processing	34-38
Composting	39-43
Market Development	44-48
Market Development Research and Demonstration	49-52
Waste Reduction Research and Demonstration	53-56
Resource Recovery Education	57-58
Household Hazardous Waste Center	59-61
Waste-To-Energy	62-64

RECYCLING-COLLECTION/PROCESSING PROJECTS CATEGORY SPECIFIC INSTRUCTIONS

This category provides funding for the collection and/or processing of recyclables for conversion into raw materials or products. Proposed projects should result in the new diversion of materials that are not currently being recovered or are not likely to be recovered in the immediate future without the project.

With the exception of utilizing scrap tires for energy recovery, proposed projects that involve the preparation of materials for use as any type of fuel, including refuse derived fuel or waste-to-energy fuel, are ineligible under this category.

ELIGIBLE BUDGET ITEMS FOR RECYCLING-COLLECTION/PROCESSING GRANTS AND LOANS:

- a. Equipment costs including installation, freight and preparation of equipment directly related to specific project needs.
- b. Materials and supplies, excluding office supplies, directly related to the project.
- c. Structures and site development costs.
- d. Materials and production costs for promotional programs related to the project, not to exceed ten percent (10%) of the grant or loan budget, or a maximum of \$10,000, whichever is less. Salary costs needed to carry out educational or promotional activities are not eligible.

Using "Recycling-Collection/Processing Project" as the heading, provide answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

- * 1. In the area to be served by the proposed project, document the need for the new or expanded recycling project by providing information that demonstrates that the materials to be collected or processed by the proposed project are not or will not be collected or processed by any existing entities.

NOTE: All applicants, including local unit of government applicants, must identify all existing private sector entities in the area that can provide any of the same services as proposed in the project. If existing private sector entities are not to be used, the applicant must justify why they will not utilize them.

Provide the following information as part of this documentation:

- A. A list of existing entities that are currently offering or planning to offer the same or similar services (i.e. collect or process any of the materials the applicant will be collecting or processing). Include a description of the services offered by each existing entity along with the entity's address, telephone number and contact person.

In compiling the list of entities to contact, the applicant should consider the following sources of information:

- i) The following sections of the Michigan Recycled Materials Market Directory: glass, metals, paper, plastics, pallets/wood and miscellaneous. Directories or individual sections of the directory are available from the Solid Waste Alternatives Program Unit.
- ii) The yellow pages and business section of the phone book.
- iii) Knowledge of the industry and competitors.

Applicants should consider all existing solid waste haulers and processors, public and private, as entities to be contacted. If the applicant claims there are no existing entities, rationale must be provided to support this statement.

- B. Contact each existing entity by letter to determine if they currently or in the next five years are planning to collect or process any of the same materials targeted by the proposed project. The letter must instruct each existing entity to provide the applicant with written comments and any documentation supporting these comments, if they believe they will be targeting the same materials as the applicant's proposed project. The letter must also instruct each existing entity to send the DNR a copy of their letter to the applicant.

The applicant's letter to each existing entity must clearly describe the proposed project, including the type and source of materials the applicant intends to collect or process and the geographic area in which the applicant will be operating. An example of a letter to an existing entity is provided in Appendix F.

Each existing entity must be provided at least two weeks to provide the applicant with their comments. The applicant should also allow additional time to summarize and respond to these comments in a narrative response which must be included in the application as required under question D. below.

- C. Provide a copy of the letter sent to the entities, along with a list of who received the letter. If any entities were not contacted, explain the reasons why they were not contacted.
 - D. Provide a detailed narrative response that demonstrates the need for the proposed project in the area to be served. This narrative should include a discussion of existing entities and how the project relates to their operations or planned operations. Include a discussion of the concerns raised by each entity who responded to the applicant's letter.
- * 2. Provide the following information for all materials to be collected and/or processed at the facility as a result of the proposed project:
- *A. A list of all materials.
 - *B. A description of the source or point of generation for all materials.
 - *C. Documentation (i.e., letters of commitment from material sources) of the availability of these materials:
 - i) If the project involves residential/municipal materials, provide letters of commitment from whomever currently handles the materials (such as private solid waste haulers, local units of government or other collection service providers). These letters should indicate that the materials are not currently being recovered and they are willing to commit these materials to the project.
 - ii) If the project is to handle materials from commercial or industrial sources, provide letters of commitment from potential customers which indicate they are not presently recovering these materials and they are willing to commit these materials to the project.

Letters of commitment should contain estimates of the quantity of each material committed. Examples of source commitment letters are provided in Appendix F.

- *D. An estimate of the annual quantity (tons/year) of each material to be collected or processed as a result of the proposed project each year for the first ten (10) years of operation. These estimates should be reflected in the letters of commitment from material sources provided as a response to question 2.C.i. and/or ii above.

If the proposed project is an expansion of an existing program, provide estimates of the quantity of each material currently being collected or processed by the program and an estimate of the additional quantity of each material to be collected or processed as a result of the proposed expansion. It should be clear from the response how much material is new diversion.

If the project is proposed to handle materials generated from Michigan as well as out-of-state sources, clearly identify the quantities to be collected or processed from Michigan sources.

- E. The method and complete calculations used to estimate the quantity of materials to be collected or processed.
3. Provide the following regarding the proposed project:
- A. An estimate of the quantity of rejected or unusable material generated by the proposed project, including the method and complete calculations used. Identify the method by which the material will be disposed.
 - B. Based on the estimated quantity of rejected materials, provide estimates of the annual quantity (tons/year) of each material that will be sent to a processor, broker or end-market in each year of the first ten (10) years of operation. In other words, provide estimates of the quantity of each material collected or processed minus the quantity of each material that is rejected or unusable. These estimates should be reflected in the letters of commitment from the material markets provided as a response to question 4 below.
 - C. The method and complete calculations used to estimate the quantities of materials sent to a processor, broker or end-market.
- * 4. Provide documentation (i.e. letters of commitment or contracts from markets) that demonstrates the availability of existing or new markets to use the collected or processed material without displacing material from existing collection or processing operations.

Letters of commitment should state estimates of: (a) the quantity of material that will be accepted, and (b) the price that will be paid. Letters of commitment should also state that the market can accept this quantity of material in addition to the materials they are currently accepting. It should be clear that the applicants's materials will meet the market's quality specifications.

If the market commitment is from a broker or materials processor, the letter from the broker or processor must identify the end-market for the materials. An example of a letter of market commitment is provided in Appendix F.

- 5. Describe what methods will be used to ensure maximum participation in the project. Methods might include aggressive education and promotion programs, local ordinances mandating separation of recyclables from the solid waste stream or other means of ensuring the largest possible participation in the project.
- 6. How soon will this project impact the waste stream?

7. Discuss the potential for this project to be replicated in other areas or serve as a model to others.
8. Describe all provisions to handle peak volumes of materials that exceed planned daily capacities.
- * 9. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
 - To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste, including all residues generated by the project, will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

COMPOSTING PROJECTS CATEGORY SPECIFIC INSTRUCTIONS

This category provides funding for the collection and composting of yard waste or other vegetative waste in order to divert it from landfills, open burning or solid waste incinerators. Proposed projects should result in the new diversion of materials that are not currently being recovered or are not likely to be recovered in the immediate future without the project.

ELIGIBLE BUDGET ITEMS FOR COMPOSTING GRANTS AND LOANS:

- a. Equipment costs including installation, freight and preparation of equipment directly related to specific project needs.
- b. Materials and supplies, excluding office supplies, directly related to the project.
- c. Structures and site development costs.
- d. Materials and production costs for promotional programs related to the project, not to exceed ten percent (10%) of the grant or loan budget, or a maximum of \$10,000, whichever is less. Salary costs needed to carry out educational or promotional activities are not eligible.

Using "Composting Project" as the heading, provide answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

- * 1. In the area to be served by the proposed project, document the need for the new or expanded composting project by providing information that demonstrates that the yard waste to be collected or composted by the proposed project is not or will not be collected or composted by any existing entities.

NOTE: All applicants, including local unit of government applicants, must identify all existing private sector entities in the area that can provide any or all of the same services as proposed in the project, including private sector haulers for the collection of yard waste. If existing private sector entities are not to be used, the applicant must justify why they will not utilize them.

Provide the following information as part of this documentation:

- A. Provide a list of existing entities that are currently offering or planning to offer the same or similar services (i.e., collect or compost any of the materials the applicant will be collecting or composting).

Include a description of the services offered by each existing entity along with the entity's address, telephone number and contact person.

In compiling the list of entities to contact, the applicant should consider the following sources of information:

- i) The yellow pages and business section of the phone book.
- ii) Knowledge of the industry and competitors.

Applicants should consider all existing solid waste haulers and processors, public and private, as entities to be contacted. If the applicant claims there are no existing entities, rationale must be provided to support this statement.

- B. Contact each existing entity by letter to determine if they currently or in the next five years are planning to collect or compost any of the same materials targeted by the proposed project. The letters must instruct each existing entity to provide the applicant with written comments and any documentation supporting these comments, if they believe they will be targeting the same materials as the applicant's proposed project. The letter must also instruct each existing entity to send the Department of Natural Resources a copy of their letter to the applicant.

The applicant's letter to each existing entity must clearly describe the proposed project, including the materials the applicant intends to target and the geographic area in which the applicant will be operating. An example of a letter to an existing entity is provided in Appendix F.

Each existing entity must be provided at least two weeks to provide the applicant with their comments. The applicant should also allow additional time to summarize and respond to these comments in a narrative response which must be included in the application as required under question D. below.

- C. Provide a copy of the letter sent to the entities, along with a list of who received the letter. If any entities were not contacted, explain the reasons why they were not contacted.
 - D. Provide a detailed narrative response that demonstrates the need for the proposed project in the area to be served. This narrative should include a discussion of existing entities and how the project relates to their operations or planned operations. Include a discussion of the concerns raised by each entity who responded to the applicant's letter.
- * 2. Provide the following for all materials to be collected or composted as a result of the proposed project:
- *A. A list of all materials.
 - *B. A description of the source or point of generation for all the materials (e.g., residential, municipal, industrial, parks, golf course, etc.).

- *C. Documentation (i.e., letters of commitment from material sources) of the availability of these materials.
 - i) If the project involves residential/municipal materials, provide letters of commitment from whomever currently handles the materials (such as private solid waste haulers, local units of government or other collection service providers). These letters should indicate that the materials are not currently being recovered and they are willing to commit these materials to the project.
 - ii) If the project is to handle materials from commercial or industrial sources, provide letters of commitment from potential customers which indicate they are not presently recovering these materials and that they are willing to commit these materials to the project.

Letters of commitment should contain estimates of the quantity of each material committed. Examples of source commitment letters are provided in Appendix F.

- *D. An estimate of the annual quantity (tons/year) of each material to be collected or composted as a result of the proposed project for each year the first ten (10) years of operation. These estimates should be reflected in the letters of commitment from material sources provided as a response to question 2.C.i. and/or ii above.

If the proposed project is an expansion of an existing program, provide estimates of the quantity of each material currently being collected or composted by the program and an estimate of the additional quantity of each material to be collected or composted as a result of the proposed expansion. It should be clear from the response how much material is new diversion.

If the project is proposed to handle materials generated from Michigan as well as out-of-state sources, clearly identify the quantity to be collected or composted from Michigan sources.

- E. The method and complete calculations used to estimate the quantity of materials to be composted.
3. Provide the following regarding the proposed project:
- A. An estimate of the quantity of rejected or unusable material generated by the proposed project, including the method and complete calculations used. Identify the method by which the material will be disposed.
 - B. Based on the estimated quantity of rejected materials, provide estimates of the annual quantity (tons/year) of marketable compost that will be produced in each year of the first ten (10) years of operation. In other words, estimate the quantity of marketable compost minus the volume of material rejected or unusable. These estimates should be reflected in the letters of commitment from the material markets provided as a response to question 4 below.

- C. The method and complete calculations used to estimate the quantity of marketable compost produced.
- * 4. Provide documentation (i.e., letters of commitment or contracts from markets) that demonstrates the availability of existing or new markets to use the composted or collected material without displacing material from existing composting operations.

Letters of commitment should state estimates of: (a) the quantity of material that will be accepted, and (b) the price that will be paid. Letters of commitment should also state that they can accept this quantity of materials in addition to the materials they are currently accepting. It should be clear that the applicant's materials will meet the market's specifications. An example of a letter of market commitment is provided in Appendix F.

If the proposed project involves only the collection of yard waste and the market commitment is from a composting operation that will compost the yard waste, the letter from the composting operation must include information on how they will compost the material.

The letter must also identify the end-market for the compost.

5. Describe what methods will be used to ensure maximum participation in the project. Methods might include aggressive education and promotion programs, local ordinances mandating separation of yard waste from the solid waste stream or other means of ensuring the largest possible participation in the project.
6. How soon will this project impact the waste stream?
7. Discuss the potential for this project to be replicated in other areas or serve as a model to others.
8. Describe all provisions to handle unusual quantity of materials in the spring and fall.
9. **Site Management Plan:** All composting project applicants must submit a site management plan outlining the provisions for material receiving, debugging, odor control, site maintenance, litter control, material processing and removal and marketing of finished compost. Include a statement from the local zoning authority with jurisdiction over the proposed compost processing site that states the site is suitably zoned for composting.

Applicants for windrow composting projects must also submit a site plan. The plan must show, to scale, major roads, setbacks, site roads, staging area, active compost area, drainage, retention basins, nearest residences and storage or stockpile areas.

Applicants for land application projects must also submit a site plan. The plan must show the area for land application, major roads, site roads, setbacks, drainage and staging areas.

If someone other than the applicant is responsible for the composting operation, a site management plan is still required. If funding is awarded, more detailed plans will be required and must be approved by the DNR prior to a grant or loan contract being issued.

- *10. Applicants who receive composting grants or loans are required to provide documentation that bans on the landfilling and open burning of leaves, grass clippings and brush are in place in the area to be served by the project, prior to receiving a grant or loan contract. These bans must be in the form of ordinances, resolutions or written policies. Discuss what steps the applicant has taken or will be taking to ensure these bans are established.

Note: In March 1995, State law will completely ban the landfilling and open burning of yard waste. While under State law small communities are exempt from the open burning ban and all size communities may allow for open burning through local ordinance, SWAP applicants must commit to local burn bans in the entire project area. They must also demonstrate now they will comply with the landfill ban.

- *11. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
- To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste, including all residues generated by the project, will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

MARKET DEVELOPMENT PROJECTS CATEGORY SPECIFIC INSTRUCTIONS

This category provides funding for projects that result in the increased use of recycled materials in the manufacture of a marketable end-product, or for the intermediate processing of materials for an end-market. Applications in this category must be for projects that are beyond the research stage and have been demonstrated to be technically feasible for full-scale operation.

With the exception of utilizing scrap tires for energy recovery, proposed projects that involve the preparation of materials for use as any type of fuel, including refuse derived fuel or waste-to-energy fuel are ineligible under this category.

ELIGIBLE BUDGET ITEMS FOR MARKET DEVELOPMENT GRANTS AND LOANS:

- a. Equipment costs including installation, freight and preparation of equipment directly related to specific project needs.
- b. Materials and supplies, excluding office supplies, directly related to the project.
- c. Structures and site development costs.
- d. Materials and production costs for promotional programs related to the project, not to exceed ten percent (10%) of the grant or loan budget, or a maximum of \$10,000, whichever is less. Salary costs needed to carry out educational or promotional activities are not eligible.

Using "Market Development Project" as the heading, provide answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

- * 1. Provide documentation that the technology to be utilized in the proposed project is beyond the research stage and that a demonstration has indicated the proposed project is technically feasible for full-scale operation. Indicate where and when these demonstrations have occurred and include appropriate descriptive information.
- * 2. In the area to be served by the proposed project, document the need for the new or expanded market development project by providing information that demonstrates that the materials the proposed project will recover are not or will not be recovered by any existing entities.

Provide the following information as part of this documentation:

- A. Provide a list of existing entities that are currently or planning to recover the same materials the applicant will be utilizing in the manufacturing of an end-product (i.e., entities that serve as a market for the materials to be recovered by the applicant). Include a description of the services offered by each identified entity along with the entity's address, telephone number and contact person.

In compiling the list of entities to contact, the applicant should consider the following sources of information:

- i) The following sections of the Michigan Recycled Materials Market Directory: glass, metals, paper, plastics, pallets/wood and miscellaneous. Directories or individual sections of the directory are available from the Solid Waste Alternatives Program Unit.
- ii) The yellow pages and business section of the phone book.
- iii) Knowledge of the industry and competitors.

If the applicant claims there are no existing entities, rationale must be provided to support this statement.

- B. Contact each existing entity by letter to determine if they currently or in the next five years are planning to utilize or process any of the same materials targeted by the proposed project. The letters must instruct each existing entity to provide the applicant with written comments and any documentation supporting these comments, if they believe they will be utilizing or processing the same materials as the project. The letter must also instruct each existing entity to send the DNR a copy of their letter to the applicant.

The applicant's letter to each existing entity must clearly describe the proposed project, including the type and source of materials the applicant intends to utilize or process and the geographic area in which the applicant will be operating. An example of a letter to an existing entity is provided in Appendix F.

Each existing entity must be provided at least two weeks to provide the applicant with their comments. The applicant should also allow additional time to summarize and respond to these comments in a narrative response which must be included in the application as required under question D. below.

- C. Provide a copy of the letter sent to the entities, along with a list of who received the letter. If any entities were not contacted, explain the reasons why they were not contacted.
 - D. Provide a detailed narrative response that demonstrates the need for the proposed project in the area to be served. This narrative should include a discussion of existing entities and how the project relates to their operations or planned operations. Include a discussion of the concerns raised by each entity who responded to the applicant's letter.
- * 3. Information about current and proposed recyclable materials processed at the facility.
- *A. Provide a list of the types of recyclable materials currently utilized and the materials to be processed as a result of the proposed project.
 - *B. Provide the following information about any recyclable materials currently processed and materials to be processed as a result of the proposed project.
 - i) If the proposed project is an expansion of an existing program, identify the quantities of each material currently processed. If any of the recyclable materials currently utilized originate from sources outside of Michigan, indicate these quantities.
 - ii) Identify the quantities and sources of each recyclable material to be processed each year for the first ten years of the proposed project's operation. Include the method and complete calculations used in providing these figures. Indicate if any of these materials will be generated outside of Michigan.

If the proposed project is an expansion of an existing program, identify how much of the annual quantities to be processed will be new material processed as a result of the proposed project.

The letters of commitment from material sources provided in response to question 3.D.i. and/or ii. below should reflect the quantities of new material to be processed.

- *C. Provide the following information about any recyclable materials currently diverted and to be diverted as a result of the proposed project.
 - i) Identify the quantity of recyclable materials coming into the facility which are rejected or unusable. Include the method and complete calculations used in providing these figures. Identify the method by which these rejects will be disposed.

If the proposed project is an expansion of an existing program, provide quantities of rejected materials for both the current materials utilized, as well as the additional materials to be processed as a result of the proposed project.

- ii) For each of the first ten (10) years of the proposed project's operation, indicate the net additional quantity of Michigan generated materials to be diverted from landfills and/or incinerators. Include the method and complete calculations used to estimate the quantity of materials to be diverted by the proposed project.
- *D. Documentation (i.e., letters of commitment from material sources) of the availability of these materials.
- i) If the project involves residential/municipal materials, provide letters of commitment from whomever currently handles the materials (such as private solid waste haulers, local units of government or other collection service providers). These letters should indicate that the materials are not currently being recovered and they are willing to commit these materials to the project.
 - ii) If the project is to handle materials from commercial or industrial sources, provide letters of commitment from potential customers which indicate they are not presently recovering these materials and they are willing to commit these materials to the project.

Letters of commitment should contain estimates of the quantity of each material committed. Examples of source commitment letters are provided in Appendix F.

- 4. Provide estimates of the annual amount of finished end-product to be manufactured. This amount should be reflected in the letters of commitment from the end-product markets provided as a response to question 5 below. Indicate the method and complete calculations used to estimate the amount of finished end-products produced.
- * 5. Provide documentation (i.e., letters of commitment or contracts from purchasers) that demonstrates the availability of existing or new purchasers for the recycled products.

Letters of commitment should state estimates of: a) the amount of finished end-product that purchasers will accept, and b) the price that purchasers will pay for the product. Letters of commitment should also state that the purchaser can accept this amount of end-product in addition to the purchase or use any similar recycled product they are currently accepting. An example of a letter of market commitment is provided in Appendix F.

- * 6. Applicants for a market development grant or loan must provide a comprehensive marketing plan that includes all of the following information and documents:
 - A. Market position statement. Identify the market segment that will use the product.
 - B. Description of marketing channels.

- C. Reasons for using the marketing channels proposed.
 - D. Price schedule of the product line to be marketed.
 - E. Explanation of the pricing strategy.
 - F. Sales forecast based on the marketing plan.
 - G. Mechanism to determine and track sales performance.
 - H. Description of marketing budget, including:
 - advertising and promotional cost;
 - written sales program, including compensation, incentives and terms to the sales force.
 - I. Organization chart with specific job descriptions and resumes of the key personnel who will implement the marketing plan.
 - J. Comprehensive list of all distributors who sell to the identified market segment.
 - K. List of competitors selling the same or similar product to the market segment.
 - L. Analysis of the competitors' products and selling program.
 - M. Using the information provided above, describe how the product(s) will be able to compete in the current market.
7. How soon will the proposed project impact the waste stream of the affected area?
 8. Discuss the potential for this project to be replicated in other areas or serve as a model to others.
 9. Provide information on the number of jobs to be created by the proposed project, including the following information for each job: type of job, salary, temporary or permanent, part-time or full-time.
 - *10. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
 - To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste, including all residues generated by the project, will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

MARKET DEVELOPMENT RESEARCH AND DEMONSTRATION PROJECTS CATEGORY SPECIFIC INSTRUCTIONS

This category provides funding for projects that develop methods to increase the processing or use of solid waste bound for landfills or incinerators in the manufacturing of products.

Proposed projects should research and/or demonstrate the potential to develop a significant market for materials currently disposed of in landfills or incinerators.

With the exception of utilizing scrap tires for energy recovery, proposed projects that involve the preparation of materials for use as any type of fuel, including refuse derived fuel or waste-to-energy fuel, are ineligible under this category.

ELIGIBLE BUDGET ITEMS FOR MARKET DEVELOPMENT RESEARCH AND DEMONSTRATION GRANTS AND LOANS:

- a. Operating expenses, which may include:
 - i) Researchers' salaries.
 - ii) Project-related support staff services and salaries.
 - iii) Travel necessary for completion of the project.
 - iv) Telephone calls directly related to the project (excluding basic telephone service and equipment).
- b. Materials and supplies directly related to the project, excluding office supplies;
- c. Equipment costs, either purchase or lease, including installation, freight and equipment preparation directly related to specific project needs. Applications involving the purchase or lease of equipment must contain written quotations, justification, specifications and rationale for each expenditure, as requested in **Section IV: BUDGET INFORMATION** (page 14).
- d. Materials and production costs for promotional programs related to the project, not to exceed ten percent (10%) of the grant or loan budget, or a maximum of \$10,000, whichever is less. Salary costs needed to carry out educational or promotional activities are not eligible.

Using "Market Development Research and Demonstration Project" as the heading, provide the answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility Requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

1. As directly related to the proposed project, briefly describe and discuss how the material targeted by the project is now managed in Michigan. This information should demonstrate the need for the research and/or demonstration project. Include the following:
 - A. A description of the material (solid waste that is now landfilled or incinerated) targeted by the proposed project. Include an estimate of the quantity of the waste generated in Michigan.
 - B. Information on current recycling, composting, landfilling and incineration practices used to manage the waste targeted by the proposed project. Provide the names and locations of significant reuse, salvage, source separation, composting and recycling programs that keep the targeted materials from entering the waste stream and include estimated quantities handled by each waste management practice.
 - C. The current costs of managing the material targeted by the project, including landfill tipping fees, collection costs, transportation and other significant issues related to costs.
2. Identify the target groups, industry sectors and others that could implement the project results to recover the materials targeted by the proposed project. Include an estimate of the quantity of materials that could be diverted and utilized by these target groups and industry sectors and a detailed discussion of the rationale behind the estimate.
3. A. Provide a written description of the relevant procedures and processes involved in the project, including:
 - i) Information about material flow in the process.
 - ii) If the project is larger than benchscale, the planned capacity of the equipment.
 - iii) All points in the process where wastes are generated.
- B. Provide a detailed sketch or diagram that illustrates the following:
 - i) Existing processes and/or related equipment (excluding any proprietary information).
 - ii) New processes, process modifications and/or equipment proposed as part of the project.

4. Describe the specific work tasks to be completed and products to be delivered as a result of the project, including technology transfer activities. Detail how additional materials will be recovered from the solid waste stream as a result of the project. These work tasks, including the technology transfer activities, should be included in Section III: PROJECT TIMETABLE.
5. Provide a literature review of existing research and any pilot demonstrations related to the proposed project. Include information about any in-house research that has already been conducted.

Include a discussion on how this project relates to previous or current research efforts. The discussion should show that: a) the project is likely to be successful; b) the project builds on previous research or demonstrations; and c) the project does not duplicate previous research or demonstrations.

6. Describe and document support for the proposed project from the target groups, industrial sectors and others who would have the potential to implement the project's results, as identified in question 2 above (page 53). Project support should be shown in terms of: a) involvement in the actual research, demonstration and technology transfer activities; b) commitments of financial support for the project; and c) letters verifying the need for the project as proposed.

Because research and demonstration activities must be of use to others, information documenting the project's value to others will influence the evaluation of the project.

7. Implementation of the project results:
 - A. Describe and document the willingness and commitment of entities within the target groups, industrial sectors and others to implement the full or pilot scale project, based upon the anticipated outcome of the proposed project.
 - B. Describe how the applicant will promote full or pilot-scale implementation of this project among the target groups or industry sectors identified in question 2 above (page 53).

Because research and demonstration results must be widely available to others, activities and tasks demonstrating effective technology transfer activities will influence the evaluation of the project.

8. Provide a documented commitment to ensure that a final written report containing the following information is provided to the DNR upon completion of the project. Include an explanation of how the proposed tasks and activities will provide information for this report.

- A. A detailed description of the technology or process developed, including:
- i) The type(s) of material (waste) addressed by the project.
 - ii) The amount or volume of materials recovered by the project.
 - iii).The amount or volume of materials that would be recovered by full-scale implementation of the technology or process.
- B. An analysis of the technical and economic viability of the technology or process for use by others.
- C. Information on the type entities that may be able to utilize the new information or process. Relate this discussion to the response provided under question 2 above (page 53).
- D. A detailed description of the method developed or demonstrated, including its potential to develop markets for recyclables.
- E. Plans to actively promote project results with others through tours, articles, summary reports and other methods.
9. Unless previously supplied, provide information documenting the applicant has funding to implement any activities which are not included in the project budget. If previously discussed, indicate where in the application this information is located.
10. Unless previously supplied, describe the qualifications of the principal investigator and personnel who will work on the project.

Include their prior experience related to the project and information on their ability to successfully perform the research, demonstration and technology transfer activities.

- *11. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
- To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste, including all residues generated by the project, will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

**WASTE REDUCTION RESEARCH AND DEMONSTRATION PROJECTS
CATEGORY SPECIFIC INSTRUCTIONS**

This category provides funding for projects focusing on industrial source reduction or on-site recycling to reduce the amount of solid waste generated at the source. To be eligible for funding, a proposed waste reduction research and demonstration project must result in the generation of less solid waste entering the waste stream.

The proposed project should research and/or demonstrate the potential for significant reduction of solid waste currently disposed of in landfills or incinerators.

Eligible topics include, but are not limited to:

- a. Development of waste reduction informational tools.
- b. Development or demonstration of waste reduction methodologies.
- c. Product redesign or reformulation.
- d. Process or procedure modification.

ELIGIBLE GRANT AND LOAN BUDGET ITEMS FOR WASTE REDUCTION RESEARCH AND DEMONSTRATION PROJECTS:

- a. Operating expenses, which may include:
 - i) Researchers' salaries.
 - ii) Project-related support staff services and salaries.
 - iii) Travel necessary for completion of the project.
 - iv) Telephone calls directly related to the project (excluding basic telephone service and equipment).
- b. Materials and supplies directly related to the project, excluding office supplies.
- c. Equipment costs, purchase or lease, including installation, freight and the preparation of equipment directly related to specific project needs. Applications involving the purchase or lease of equipment must contain written quotations, justification, specifications and rationale for each expenditure, as requested in **Section IV: BUDGET INFORMATION** (page 14).
- d. Materials and production costs for promotional programs related to the project, not to exceed ten percent (10%) of the grant or loan budget, or a maximum of \$10,000, whichever is less. Salary costs needed to carry out educational or promotional activities are not eligible.

Using "Waste Reduction Research and Demonstration Project" as the heading, provide the answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility Requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

1. As directly related to the proposed project, briefly describe and discuss how the material targeted by the project is now managed in Michigan. This information should demonstrate the need for the research and/or demonstration project. Include the following:
 - A. A description of the material (solid waste that is now landfilled or incinerated) targeted by the proposed project. Include an estimate of the quantity of the waste generated in Michigan.
 - B. Information on current recycling, composting, landfilling and incineration practices used to manage the waste targeted by the proposed project. Provide the names and locations of significant reuse, salvage, source separation, composting and recycling programs that keep the targeted materials from entering the waste stream and include estimated quantities handled by each waste management practice.
 - C. The current costs of managing the material targeted by the project, including landfill tipping fees, collection costs, transportation and other significant issues related to costs.
2. Identify the target groups, industry sectors and others that could implement the waste reduction methods researched and/or demonstrated by the proposed project. Include an estimate of the volume of solid waste that could be reduced by these target groups and industry sectors and a detailed discussion of the rationale behind the estimate.
3.
 - A. Provide a written description of the relevant procedures and processes involved in the project, including:
 - i) Information about material flow in the process.
 - ii) If the project is larger than benchscale, the planned capacity of the equipment.
 - iii) All points in the process where wastes are generated.
 - B. Provide a detailed sketch or diagram that illustrates the following:
 - i) Existing processes and/or related equipment (excluding any proprietary information).
 - ii) New processes, process modifications and/or equipment proposed as part of the project.

4. Describe the specific work tasks to be completed and products to be delivered as a result of the project, including technology transfer activities. Detail how the amount of solid waste currently being landfilled, will be reduced as a result of the project. These work tasks, including the technology transfer activities, should be included in Section III: PROJECT TIMETABLE.
5. Provide a literature review of existing research and any pilot demonstrations related to the proposed project. Include information about any in-house research that has already been conducted.

Include a discussion on how this project relates to previous or current research efforts. The discussion should show that: a) the project is likely to be successful; b) the project builds on previous research or demonstrations; and c) the project does not duplicate previous research or demonstrations.

6. Describe and document support for the proposed project from the target groups, industrial sectors and others who would have the potential to implement the project's results, as identified in question 2 above (page 57). Project support should be in shown in terms of: a) involvement in the actual research, demonstration and technology transfer activities; b) commitments of financial support for the project; and c) letters verifying the need for the project as proposed.

Because research and demonstration activities must be of use to others, information documenting the project's value to others will influence the evaluation of the project.

7. Implementation of the project results:
 - A. Describe and document the willingness and commitment of entities within the target groups, industrial sectors and others to implement the full or pilot scale project, based upon the anticipated outcome of the proposed project.
 - B. Describe how the applicant will promote full or pilot-scale implementation of this project among the target groups or industry sectors identified in question 2 above (page 57).

Because research and demonstration results must be widely available to others, activities and tasks demonstrating effective technology transfer activities will influence the evaluation of the project.

8. Include a documented commitment to ensure that a final written report containing the following information is provided to the DNR upon completion of the project:
 - A. A detailed description of the technology, process, procedure or informational tool, etc. developed including all of the following:
 - i) The type of waste addressed by the project.
 - ii) The amount of waste reduction realized by the project.

- iii) The projected waste reduction that would be realized by full-scale implementation of the technology or process.
- B. An analysis of the technical and economic viability of the technology or process for use by others.
- C. Information on the type entities that may be able to utilize a similar technology or process. Relate this discussion to the response provided under question 2 above (page 57).
- D. Plans to actively promote project results through tours, articles, summary reports and other methods.
9. Unless previously supplied, provide information documenting the applicant has funding to implement any activities which are not included in the project budget. If previously discussed, indicate where in the application this information is located.
10. Unless previously supplied, describe the qualifications of the principal investigator and personnel who will work on the project. Include their prior experience related to the project and information on their ability to successfully perform the research, demonstration and technology transfer activities.
- *11. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
- To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste, including all residues generated by the project, will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

**RESOURCE RECOVERY EDUCATION PROJECTS
CATEGORY SPECIFIC INSTRUCTIONS**

This category provides funding for education programs that directly promote the use of an existing or planned local recycling or composting program.

Applicants that have received previous funding and are applying for additional funds for a similar project educating the same audience are less likely to receive funding.

ELIGIBLE BUDGET ITEMS FOR EDUCATION GRANTS AND LOANS:

- a. Materials and supplies related to the project, excluding office supplies.
- b. Operating expenses, which may include:
 - i) Project-related support staff services and salaries.
 - ii) Travel necessary for the completion of the project.
 - iii) Telephone calls directly related to the project (excluding basic telephone service and equipment).

Using "Resource Recovery Education Project" as the heading, provide answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility Requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

- * 1. To be eligible for funding, a proposed resource recovery education project must directly promote the use of an existing or planned local resource recovery program or programs. Briefly describe each local resource recovery program to be promoted by the proposed education project and indicate whether the program is existing or planned. Describe how the proposed education project will assist in increasing participation in these programs.
- 2. Attach a letter of interest and support from each local resource recovery program that the proposed education project will promote.
- 3. Provide information on the planned duration of the project and how the project is to be funded in the future. Applicants who have a mechanism to provide future funding or commitments for funding the project beyond the proposed one year grant or loan funding have a higher potential to be awarded a grant or loan.
- 4. Provide the following information. If any of this information has already been fully addressed in **Section VI: GENERAL INFORMATION**, list the section and page number which answers these questions.

- A. Describe existing or planned education activities of the applicant and the relationship of the proposed project to these educational efforts.
 - B. Describe the existing resource recovery education programs and activities being conducted by others in the county and how the applicant's education project will coordinate with these.
 - C. Provide the specific measurable objectives of the project including the number of people who will be reached and the impact on the waste stream diversion rates. Provide specific tonnages and types of materials that are projected to be diverted from landfilling, solid waste incineration or both, as a result of the education project.
 - D. Describe how the applicant will evaluate the project's impact on the waste stream. Identify the source of data needed for this evaluation. If data must be obtained from outside sources, provide documentation of commitment from these sources to provide this data.
- * 5. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
- To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

HOUSEHOLD HAZARDOUS WASTE CENTER PROJECTS CATEGORY SPECIFIC INSTRUCTIONS

This category provides funding for establishing long-term, permanent collection and proper disposal of household hazardous waste.

All household hazardous waste to be disposed of shall be transported to a treatment, storage or disposal facility by a transporter that is licensed under the provisions of Public Act 64 of 1979, the Hazardous Waste Management Act (Act 64) and Public Act 136 of 1969, the Liquid Industrial Wastes Act (Act 136).

All household hazardous waste to be disposed of must be processed at a treatment or disposal facility that is authorized to operate under the provisions of Act 64 or the Resource Conservation and Recovery Act.

A grant or loan for a Household Hazardous Waste Center may extend over a three year time period. The Project Timetable form should reflect the three year time period if the applicant elects to extend the grant or loan over three years.

ELIGIBLE BUDGET ITEMS FOR HOUSEHOLD HAZARDOUS WASTE CENTER GRANTS AND LOANS:

- a. Structures and site development costs.
- b. Equipment costs including freight, installation and preparation of equipment related to specific project needs.
- c. Materials and supplies, excluding office supplies, directly related to the project.
- d. Materials and production costs for promotional programs related to the project, not to exceed ten percent (10%) of the grant or loan budget, or a maximum of \$10,000, whichever is less. Salary costs needed to carry out educational or promotional activities are not eligible.
- e. Operating expenses, which may include:
 - i) Cost of transporting and disposing of household hazardous waste.
 - ii) Salary costs for locating or organizing legal reuse alternatives for materials accepted by the program.
 - iii) Project-related salaries, not including education or promotional activities.

Using "Household Hazardous Waste Center Project" as the heading, provide answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility Requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

1. A Household Hazardous Waste Center project must accept household hazardous waste from residents of the proposed service area. Describe how the program will offer this service to residents.
2. Provide detailed project site information to address:
 - A. Proximity of population centers.
 - B. Design layout of loading and unloading area.
3. Provide detailed information on the facility including:
 - A. Areas for sorting and packaging waste and materials.
 - B. Areas for storage of waste and materials.
 - C. Ventilation.
 - D. Equipment, including material needed to respond to on-site spills.
 - E. Personal protection equipment, to be used on a regular basis.
 - F. Emergency equipment and training for personnel.
 - G. Fencing.
 - H. Secondary containment.
4. Provide a description of all personnel responsible for operating the program, including those listed as operating expenses. Include the following information:
 - A. Duties.
 - B. Training relative to toxicity and chemical hazards.
5. Provide the following information on waste handling and disposal:
 - A. Amount and types of waste to be stored or handled and how it will be packaged for storage.
 - B. Procedure for identifying and storing different types of waste that may cause undesirable chemical or physical effects when stored together.
 - C. Length of time waste is projected to be stored.
 - D. Plans for locating legal waste exchange, recycling options or other alternative uses for material collected at the center.
 - E. Transportation arrangements, both incoming and outgoing.
 - F. Procedures for handling and testing of unidentified waste.
 - G. Final disposition of material and waste.
 - H. Frequency of shipments of waste from the facility.
6. Provide a plan for notifying local emergency contacts when the center opens, or when spills or other emergencies occur.
7. Describe the long-term, ongoing funding mechanism for the Household Hazardous Waste Center Project.

8. Describe what methods will be used to ensure maximum participation in the project. Methods might include aggressive education and promotion programs, local ordinances mandating separation of household hazardous waste from the solid waste stream or other means of ensuring the largest possible participation in the project.
9. Provide a plan for data collection at the center to include:
 - A. The number of people who participate.
 - B. Amount and types of waste handled.
 - C. The amount and type of waste(s) that are:
 - i) Reused.
 - ii) Recycled.
 - iii) Disposed of, indicating specific disposal methods and type of waste to be disposed of by each method.
 - D. Costs of operating the facility.
10. Provide plans for educating participants about safety and handling concerns of the material prior to bringing it to the center.
11. Provide plans for educating residents on how household hazardous waste affects landfill and incinerator programs and about alternatives to household hazardous waste products.
- *12. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
 - To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

WASTE-TO-ENERGY PROJECTS CATEGORY SPECIFIC INSTRUCTIONS

This category provides funding for projects associated with waste-to-energy incinerators. Funding shall be utilized for one or more of the following:

- A. To divert recyclable material from incineration into a recycling program.
- B. To divert yard waste from incineration into a composting program.
- C. To divert household hazardous waste from incineration into a hazardous waste recycling, treatment or disposal program.
- *D. Air pollution control equipment.
- *E. Ash reuse or recycling.

*To be eligible for a grant or loan for air pollution control equipment and/or ash reuse or recycling, waste-to-energy project applicants must provide detailed information to demonstrate that the area to be served by the waste-to-energy facility has recycling, composting and household hazardous waste collection programs which meet or exceed the recycling and composting goals of the State Solid Waste Policy. This information must include volumes of materials recovered and composted by these collection programs.

Grants or loans are not to be used to prepare material for use as refuse derived fuel or waste-to-energy fuel, except for projects that use scrap tires for energy recovery.

ELIGIBLE BUDGET ITEMS FOR WASTE-TO-ENERGY GRANTS AND LOANS:

- a. Structures and site development costs.
- b. Equipment costs including installation, freight and preparation of equipment directly related to specific project needs.
- c. Materials and supplies, excluding office supplies, directly related to the project.
- d. Materials and production costs for promotional programs related to the project, not to exceed ten percent (10%) of the grant or loan budget, or a maximum of \$10,000, whichever is less. Salary costs needed to carry out educational or promotional activities are not eligible.

Using "Waste-To-Energy Project" as the heading, provide answers to the following questions in the same order and with the same numbers as listed here.

* = Eligibility Requirements. If these questions are not answered or the information requested is not provided, the application will not be given any further consideration for funding.

1. Provide documentation of the total project cost of the facility. Total project cost includes the cost of designing and constructing the waste-to-energy facility.

- * 2. Document that the total amount requested for eligible grant or loan items does not exceed 25 percent of the total project cost or \$5 million, whichever is less. The 75 percent of the total project cost committed by the applicant is in lieu of the match for this category.
- * 3. Provide documentation to show one of the following in the application:
 - A. An executed power purchase agreement with a public utility.
 - B. An agreement to use or sell the energy products for space heating, industrial or process heating, and/or a municipal district heating and cooling system.
 - C. Agreements to use the energy products in any combination of uses specified in questions A or B above.
- 4. Provide information on the ownership of the waste-to-energy facility.
- * 5. Provide information on the operator of the waste-to-energy facility.
- 6. Provide information on the source of financing for the waste-to-energy facility.
- 7. Provide a detailed description of the extent to which composting, recycling and household hazardous waste collection are currently implemented in the area served by the waste-to-energy facility. Describe existing programs, types of materials and specific volumes of materials being recovered by these programs. Indicate the percentage of the waste stream being recovered.
- 8. Provide specific information on the waste-to-energy facility including at a minimum, type, cost and capacity in tons per day.
- 9. Provide information on the air pollution control equipment.
- 10. Estimate the tipping fees to be charged at the waste-to-energy facility.
- 11. Provide the projected energy output and use of the energy products.
- 12. Provide a projection of the volume reduction of waste processed.
- 13. Provide documentation of waste flow commitments.
- 14. Provide details on handling and final disposal for ash.
- 15. WASTE-TO-ENERGY PROJECT APPLICANTS REQUESTING FUNDING FOR RECYCLING COMPOSTING AND/OR HOUSEHOLD HAZARDOUS WASTE CENTER PROGRAMS MUST ALSO PROVIDE THE CATEGORY SPECIFIC INFORMATION REQUESTED IN THE RECYCLING, COMPOSTING AND/OR HOUSEHOLD HAZARDOUS WASTE CENTER CATEGORY, WHICHEVER IS APPLICABLE, IN ADDITION TO WASTE-TO-ENERGY CATEGORY SPECIFIC INFORMATION.

- * 16. Provide a narrative response which demonstrates the applicant understands that upon signing the Application Cover Sheet form, the applicant is making the following commitments:
- To comply with all applicable federal, state and local laws, rules, ordinances and regulations and to obtain all applicable permits and licenses.
 - To fund all project cost overruns.
 - To fund the match required for the proposed project.
 - To fund project costs exceeding the grant or loan budget and necessary to carry out the project.
 - To ensure that the applicant's solid waste, including all residues generated by the project, will be disposed of pursuant to the provisions of Act 641 and all other applicable federal, state and local laws.

**APPENDIX A
APPLICATION FORMS**



MICHIGAN DEPARTMENT OF NATURAL RESOURCES, WASTE MANAGEMENT DIVISION

FOR STATE USE ONLY

DATE RECEIVED:

APPLICATION NO.:

APPLICATION COVER SHEET

1995/1996 APPLICATION FOR FUNDING - SOLID WASTE ALTERNATIVES PROGRAM

COMPLETION OF THIS APPLICATION IS REQUIRED UNDER THE AUTHORITY OF ACT 328 OF 1988 TO BE CONSIDERED FOR A SOLID WASTE ALTERNATIVES GRANT OR LOAN. REFER TO THE INSTRUCTIONS FOR PROPER COMPLETION OF THIS FORM.

1) APPLICANT NAME:		
2) STREET ADDRESS:		
3) CITY/STATE/ZIP:		
4) MAILING ADDRESS: <i>(If different from street address)</i>		
5) CITY/STATE/ZIP:		
6) TELEPHONE NO.:		
7) CONTACT PERSON:		TITLE:
8) APPLICANT LOCATION:	TOWNSHIP:	COUNTY:
9) PROJECT LOCATION:	TOWNSHIP:	COUNTY:
10) STATE SENATE AND HOUSE DISTRICT APPLICANT IS LOCATED IN:		
SENATE DISTRICT NO.:		HOUSE DISTRICT NO.:
11) APPLICANT TYPE: LOCAL UNIT OF GOVERNMENT <input type="checkbox"/> PRIVATE FOR PROFIT <input type="checkbox"/> PRIVATE NOT-FOR-PROFIT <input type="checkbox"/>		
12) TYPE OF GRANT OR LOAN REQUESTED:		
<input type="checkbox"/> RECYCLING <input type="checkbox"/> HOUSEHOLD HAZARDOUS WASTE CENTER <input type="checkbox"/> WASTE-TO-ENERGY <input type="checkbox"/> COMPOSTING <input type="checkbox"/> MARKET DEVELOPMENT RESEARCH/DEMONSTRATION <input type="checkbox"/> MARKET DEVELOPMENT <input type="checkbox"/> EDUCATION <input type="checkbox"/> WASTE REDUCTION RESEARCH/DEMONSTRATION		
13) TYPE OF FUNDING REQUESTED:		GRANT <input type="checkbox"/> LOAN <input type="checkbox"/>
14) AMOUNT OF FUNDING REQUESTED:		\$
15) AMOUNT OF MATCHING FUNDS COMMITTED:		\$
16) TOTAL: (LINES 14 PLUS 15):		\$
17) I, THE UNDERSIGNED, CERTIFY THAT I HAVE READ AND UNDERSTAND THE APPLICATION AND INSTRUCTIONS. ALL REQUIRED FORMS AND DOCUMENTS ARE COMPLETED AND ATTACHED, AND THE INFORMATION INCLUDED IN THE FORMS, NARRATIVE RESPONSES AND DOCUMENTATION IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE. I ALSO CERTIFY THAT THE APPLICANT UNDERSTANDS AND AGREES TO ALL COMMITMENTS CONTAINED HEREIN.		
APPLICANT SIGNATURE		DATE
APPLICANT SIGNATORY-NAME AND TITLE		

Please submit completed application and all attachments to:
 SOLID WASTE PROGRAM SECTION - SOLID WASTE ALTERNATIVES PROGRAM UNIT
 WASTE MANAGEMENT DIVISION
 MICHIGAN DEPARTMENT OF NATURAL RESOURCES
 PO BOX 30241
 LANSING MI 48909-7741

A "Protecting Michigan's Future" Bond Program



PROPOSAL SUMMARY

FY 1995/1996 APPLICATION FOR FUNDING - SOLID WASTE ALTERNATIVES PROGRAM

COMPLETION OF THIS APPLICATION IS REQUIRED UNDER THE AUTHORITY OF ACT 328 OF 1988 TO BE CONSIDERED FOR A SOLID WASTE ALTERNATIVES GRANT OR LOAN. REFER TO THE INSTRUCTIONS FOR PROPER COMPLETION OF THIS FORM.

1) APPLICANT NAME:
2) FUNDING CATEGORY:
3) STREET ADDRESS FOR THE PROJECT:
4) GEOGRAPHIC AREA IN WHICH THE MUNICIPAL SOLID WASTE STREAM WILL BE IMPACTED BY THE PROJECT:
5) SUMMARY OF THE PROJECT (SEE INSTRUCTIONS): <i>(USE UP TO TWO ADDITIONAL PAGES, IF REQUIRED)</i>



PROPOSAL OPERATING PLAN

/ 1995/1996 APPLICATION FOR FUNDING - SOLID WASTE ALTERNATIVES PROGRAM

COMPLETION OF THIS APPLICATION IS REQUIRED UNDER THE AUTHORITY OF ACT 328 OF 1988 TO BE CONSIDERED FOR A SOLID WASTE ALTERNATIVES GRANT OR LOAN. REFER TO THE INSTRUCTIONS FOR PROPER COMPLETION OF THIS FORM.

FOR HHWC ONLY

	Year 1(a)	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
--	--------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

ITEMIZED EXPENSES	DOLLARS PER YEAR							
STRUCTURE:								
EQUIPMENT								
MATERIALS								
SUPPLIES								
STAFFING								
OTHER (I.E., TRANSPORT, DISPOSAL COSTS, ETC.)								
TOTAL EXPENSES:								

ITEMIZED RESOURCES	DOLLARS PER YEAR							
STATE SHARE		(b)	(b)					
MATCHING FUNDS								
MATERIAL SALES								
ITEM #1 ()								
ITEM #2 ()								
ITEM #3 ()								
ITEM #4 ()								
ITEM #5 ()								
OTHER REVENUES (I.E., TIPPING FEES, ETC.)								
TOTAL RESOURCES:								
ESTIMATED PROJECT FINANCIAL SUSTAINABILITY (SUBTRACT TOTAL EXPENSES FROM TOTAL RESOURCES)								

(a) **Year 1:** The first year of the project as outlined in the Project Timetable. For Household Hazardous Waste Centers (HHWC), the first three years (years 1-3) represent the period covered by the Project Timetable.

State Share and Matching Fund: Years 2 and 3 are applicable to HHWC only.



PERMIT COORDINATION INFORMATION

(Issued under the authority of Act 17, PA 1921, as amended.)

In an effort to provide better permit coordination, the Department has prepared a list of key questions which will help identify what departmental permits, licenses, or approvals of a permit-like nature may be needed. Submitting this completed form with your application will expedite its review and will help reduce the possibility that your project or activity will be delayed due to the untimely discovery of additional permitting requirements later in the process.

Section A - General Information

Applicant Name	Contact Person Name
Address	Phone
City State ZIP	Type of Permit Requested
Project Location (Street Address)	Project Description
City/Village County	
Township Town Range Section(s)	
Subdivision or Plat Lot No.	
Private Claim	

Section B - Key Questions

If you answer "yes" to any of the following questions (put an x in the box), you may need a permit. Further information regarding a "yes" answer may be obtained by calling the telephone number listed with that question. For general information regarding permit requirements or coordination, call the Permit Coordinator, Local Government Liaison, at 517-335-4235.

		Yes	No
1. Does the project involve the discharge of any type of wastewater to a storm sewer, drain, lake, stream, or other surface water? Permits Section, Surface Water Quality Division, 517-373-8088.			
2. Does the project involve the discharge of liquids, sludges, wastewater and/or wastewater residuals into or on to the ground? Groundwater Permit Unit, Waste Management Division, 517-335-3385.			
3. Does the project involve the storage of chemicals, petroleum products, or salt on the property? Groundwater Permit Unit, Waste Management Division, 517-335-3385.			
4. Does the project involve the on-site storage of sanitary sewage prior to ultimate transport and disposal off-site (pump and haul)? Groundwater Permit Unit, Waste Management Division, 517-335-3385.			
5. Does the project involve transport of septic tank, cesspool, or dry well contents? Waste Characterization Unit, Waste Management Division, 517-373-2732.			
6. Does the project involve the on-site treatment, storage, or disposal of hazardous waste? Hazardous Waste Permit Unit, Waste Management Division, 517-373-9875.			
7. Does the project involve the transport of non-hazardous liquid industrial waste? Contact appropriate District Office, Waste Management Division.			
8. Does the project involve burning, landfilling, transferring or processing any type of solid non-hazardous wastes on site? Contact appropriate District Office, Waste Management Division.			
9. Does the project involve installation, construction, reconstruction, relocation, or alteration of any process or process equipment (including air pollution control equipment) which has the potential to emit air contaminants? Permit Section, Air Quality Division, 517-373-7023.			
10. Does the project involve construction or alteration of any sewage collection or treatment facility? Compliance and Enforcement Section, Surface Water Quality Division, 517-373-4621 or 517-373-4624.			
11. Does the project involve any work (dredging, filling, draining, construction) proposed in, across or under a: a) river, stream, creek, ditch, drain, lake, pond or swamp?; b) wetlands?; c) floodplain (area that may have or ever had either standing or flowing water)? Permit Consolidation Unit, Land and Water Management Division, 517-373-9244.	A		
	B		
	C		
12. Does the project involve any dredging proposed within 500 feet of a lake, river, stream, creek, or ditch? Permit Consolidation Unit, Land and Water Management Division, 517-373-9244.			
13. Does the project involve filling or placement of structures in water, wetlands, floodplains or any work at the land/water interface? Permit Consolidation Unit, Land and Water Management Division, 517-373-9244.			
14. Does the project involve any work proposed on or within the boundaries of a State Park, State Forest, or State Game area? Parks Division, 517-373-1270 or Wildlife Division, 517-373-1263.			

Continued on the other side

	Yes	No
15. Is any portion of the project's property enrolled in the Farmland and Open Space Preservation Act, 1974 PA 116 program? Special Land Program Section, Land and Water Management Division, 517-373-3328.		
16. Are you currently involved in any compliance discussions with the Office of the Attorney General regarding this project or any other facilities in your ownership? Office of Litigation and Program Services, 517-373-3503.		
17. Does the project involve an earth change activity within 500 feet of a lake or stream or will the project disturb an area greater than one (1) acre in size? Soil Erosion and Sedimentation Unit, Land and Water Management Division, 517-373-0208.		
18. Does the project involve any construction or land alteration within 400 feet of a designated natural river or tributary? Natural Rivers Program Unit, Land and Water Management Division, 517-335-2694.		
19. Does the project involve construction of a building or septic system in a designated great lakes high risk erosion area? Great Lakes Section, Land and Water Management Division, 517-373-1950.		
20. Does the project involve dredging, filling, grading or other alteration of the soil, vegetation or natural drainage, or placement of permanent structures in a designated environmental area? Great Lakes Section, Land and Water Management Division, 517-373-1950.		
21. Does the project propose any development or silvicultural activities or contour alterations within a designated critical dune area? Great Lakes Section, Land and Water Management Division, 517-373-1950.		

Return This Form To:
 Permit Coordinator
 Executive Division,
 Department of Natural Resources,
 P.O. Box 30028,
 Lansing, Michigan 48909

APPENDIX B CONTRACT REQUIREMENTS FOR APPROVED APPLICANTS

After the Department of Natural Resources (DNR) receives an appropriation from the Legislature and the recipient has met any pre-award stipulations, the recipient and the DNR enter into a contractual agreement. Standardized contract language is used, with limited opportunities for negotiation.

The original application for funding becomes an appendix to the grant or loan contract. The project goals, including diversion goals, become contractual obligations and may only be changed upon DNR approval. The project scope, budget and timetable also become part of the contract and may only be changed upon DNR approval.

The contract stipulates both a project period and a contract period. The project period is the period during which all project tasks must be completed and all expenditures must be made. Grant or loan disbursements to the recipient are made during the project period.

The contract period is the period during which the grantee is under contract, and where appropriate, must maintain and operate the project. Annual progress reports must be submitted to the DNR during the contract period. Restrictions are placed on the use of grant or loan funded equipment and structures during this period. The contract period is ten years for projects that involve the purchase of equipment or structures but may be less for non-capital projects. Contracts for capital projects require a ten year operational commitment. Failure to comply with the terms of the grant contract subjects the recipient to termination of the grant contract by the DNR and the recipient must repay all grant funds received.

Recipients are required to place liens on all equipment, with the State of Michigan identified as the first secured party on the lien. Mortgages in favor of the State may also be required for structures. Liens and mortgages may have to be placed early in the project, prior to any reimbursement being made by the State.

Another contract requirement involves the utilization of Michigan recyclable materials in the project. Grant and loan recipients must utilize Michigan recyclable materials in the project, in the amounts specified in the grant or loan application.

After a contract has been executed, grant and loan funds are awarded on a cost reimbursement basis. The grant or loan recipient is responsible for making payments to vendors, subcontractors and suppliers. The recipient will then submit a reimbursement request to the DNR, including appropriate documentation such as invoices, cancelled checks and payroll reports. The DNR will reimburse the grant or loan recipient for a percentage of the documented expenditures. The amount the recipient is not reimbursed constitutes the recipient's matching fund share. Costs incurred by a grant or loan recipient prior to the effective date of the contract will not be reimbursed.

After a contract has been executed, local units of government and private non-profit grant recipients may apply for an advance on their funding to be able to pay start-up costs directly related to the project.

Grant and loan recipients are also required to keep detailed records of project expenditures, activities and accomplishments, including diversion rates if appropriate. Examples of the information that must be reported to track project accomplishments are provided in Appendix C.

Recipients of research and demonstration grants or loans may not patent or copyright any discoveries or inventions that may result from grant or loan funded activities.

Grant and loan funds may be subject to federal, state and local income taxes.

There are additional contract requirements, including category specific requirements. Some are described in the Administrative Rules. A Grantee's Project Handbook is also available upon request. For more information about contract requirements, or for a copy of the Administrative Rules and/or the Grantee's Project Handbook, contact the Solid Waste Alternatives Program Unit at 517-335-4863.

APPENDIX C TRACKING PROJECT ACCOMPLISHMENTS

As a part of the contract obligation, every entity receiving a grant or loan award is required to maintain records on specific project accomplishments. This information will have to be reported during the first year and annually for up to ten years after project completion. Grant and loan recipients will be provided detailed guidance on the type of information that will have to be tracked. Some examples are provided below.

Applicants may find it helpful to include these examples in the application, specifically in **Section VI: GENERAL INFORMATION, Question VI.C.4.** (page 25), where applicants must identify how project success will be measured. For additional information about reporting and tracking requirements, applicants should contact the Solid Waste Alternatives Program Unit.

Examples of Information that should be Tracked to Measure Project Accomplishments:

ALL PROJECTS

- Total financial investment made in the project.
- The number of new jobs created as a part of the project.

RECYCLING-COLLECTION/PROCESSING PROJECTS AND COMPOSTING PROJECTS

- Provide the following information for each entity from which materials (recyclables or compostables) are collected, separated and/or processed from the waste stream:
 - a. Entity Name.
 - b. Total population and number of households, if appropriate, of each entity which participates in and has access to the collection or composting program on an annual basis.
 - c. Annual quantity of each type of material collected.
- Provide the following information for each type of material separated, collected and/or processed:
 - a. Type of material.
 - b. Total annual quantity diverted from a landfill or incinerator.
 - c. Source of materials.
 - d. Material markets.

- Total annual dollar value (e.g., total annual sales) of the collected or processed materials.
- Annual cost savings from avoided landfill disposal costs.

MARKET DEVELOPMENT PROJECTS

- Provide the following information for each type of recyclable used in the project:
 - a. Type of material.
 - b. Total annual quantity diverted from a landfill or incinerator.
 - c. Source of materials.
- Total annual capacity to utilize recyclables (by material) in the operation for each year over the next five years.
- Quantity and total dollar value (e.g., total annual sales) of the product manufactured with recyclables.
- Total annual savings and/or profit realized from the use of recyclables instead of virgin materials.

HOUSEHOLD HAZARDOUS WASTE CENTER PROJECTS

- Provide the following information for each community served by the household hazardous waste (HHW) center:
 - a. Community Name.
 - b. Total population and number of households within the community which participate in and have access to the HHW program on an annual basis.
 - c. Annual quantity (gallons or tons) of each type of HHW collected from each community. Differentiate between HHW and used oil collection.
- Provide the following information for each type of HHW collected:
 - a. Type of material. Differentiate between HHW and used oil collection.
 - b. Total annual quantity diverted from a landfill or incinerator.
 - c. Fate of HHW collected (method of disposal or management).

WASTE REDUCTION RESEARCH AND DEMONSTRATION PROJECTS

- Provide the following information for each type of waste reduced:
 - a. Type of material.
 - b. Total annual quantity of waste reduced during the research and demonstration project.

- Total annual volume of waste that could be reduced if permanent, full-scale operation of this waste reduction technology were put into practice.
- Total annual savings and/or profit realized from waste reduction efforts during the research and demonstration project.

MARKET DEVELOPMENT RESEARCH AND DEMONSTRATION PROJECTS

- Provide the following information for each type of recyclable used:
 - a. Type of material.
 - b. Total annual quantity diverted from a landfill or incinerator.
 - c. Annual projections of quantity of material that would be diverted for the next 10 years if this technology were brought into permanent, full-scale operation.
- Quantity and total dollar value (e.g., total annual sales) of the product manufactured with recyclables.
- Total annual savings and/or profit realized from the use of recyclables instead of virgin materials.

RESOURCE RECOVERY EDUCATION PROJECTS

- Number of individuals provided education and/or information through each of the following methods:
 - group presentations
 - displays
 - one-on-one assistance
 - distribution of materials
 - public service announcements
 - other mechanisms used
- Measurements of the increase in annual participation and recovery rates at recycling and/or composting programs as a result of the resource recovery education program.

APPENDIX D
FUNDING PRIORITIES AND EVALUATION CRITERIA

This Appendix provides important information on funding priorities for Fiscal Year 1995/96 projects and evaluation criteria for all applications.

There are three sections:

FUNDING PRIORITIES

This section identifies the types of projects that are high and low priority for Fiscal Year 1995/96.

EVALUATION CRITERIA

This section lists the areas of the application, called "priority evaluation items," that are given the most weight in WMD staff evaluation of the applications and in staff funding recommendations. A discussion of the evaluation criteria is provided so that applicants can evaluate their applications themselves to identify and correct weaknesses prior to submitting the application to the DNR.

FINANCIAL VIABILITY EVALUATION

This section provides a brief description of how evaluations of financial viability are conducted.

Applicants should carefully review all information in this Appendix before and after preparing an application to ensure their application addresses these priorities and criteria. For guidance on how the priorities or criteria pertain to a specific application, contact WMD staff. In addition to the information presented here, applicants should review Act 328 and the SWAP Administrative Rules.

FUNDING PRIORITIES

Both general and category specific funding priorities (for certain categories) have been established for Fiscal Year 1995/96 application cycle. DNR staff will consider these priorities when determining if a specific project will be recommended for funding. Applicants should review these priorities prior to developing an application.

Within some categories, certain types of projects have been identified as low priority or as being "discouraged." These types of projects are not likely to be recommended for funding.

Other types of projects have been identified as being a priority or as being "encouraged." These types of projects are more likely to be recommended for funding. However, each application is still evaluated on its own merits and may not be recommended for funding for reasons specific to that project, regardless of whether or not the project addresses a priority. For example, an application that has a poorly defined methodology or inadequate budget justification will not be recommended for funding even if it addresses an area identified as a priority.

GENERAL PRIORITIES

- In general, the Solid Waste Alternatives Program has a strong emphasis on market development. Because of the strong need for additional viable markets to increase recycling, projects involving the collection and processing of materials (Recycling-Collection/Processing Category) are, in general, moderate to low priority.
- Mixed solid waste composting operations under any category are strongly discouraged and will be given very low priority. Research and demonstration projects focused on mixed solid waste composting are also discouraged.

CATEGORY SPECIFIC PRIORITIES

Priorities have been established for the following categories: Recycling-Collection/Processing, Composting, Market Development, Market Development Research and Demonstration, Waste Reduction Research and Demonstration, Resource Recovery Education and Household Hazardous Waste Centers.

Recycling-Collection/Processing Category:

- Regional processing facilities will be considered more favorably than facilities which will serve a single or a few entities.
- Recycling-collection/processing projects that focus on collection of source separated materials will be given priority. Projects focused on the site separation of materials will be given low priority.

- New recycling-collection/processing projects will, in general, be given priority over expansion projects. New projects are those that will provide recycling services for geographic areas where there are currently no organized recycling efforts. Projects proposing to expand recycling services in areas where some recycling is already in place will be given less consideration.
- Recycling-collection/processing projects that include methods to maximize participation or utilization of the proposed recycling services will be given priority. These methods might include aggressive education programs, source separation ordinances, or long term contracts/agreements with the units of government or other entities that will be participating in the project.
- Projects which request funding for single family collection containers will be given less consideration.
- Projects which request funding for balers to be used to bale paper will be given less consideration for funding.

Composting Category:

- Regional composting facilities will be considered more favorably than facilities which will serve a single or a few entities.
- Composting projects focused on yard waste processing and market development will, in most circumstances, be viewed more favorably than applications for only the collection of yard waste.
- New composting projects will in general be viewed more favorably than expansion of existing composting operations. New projects are those that will provide composting services for geographic areas currently not served by composting operations. Projects proposing to expand existing composting operations will be given less consideration.
- Projects that include methods to maximize participation or utilization of the proposed composting services will be given priority. These methods might include aggressive education programs, source separation ordinances, or long term contracts/agreements with units of government or other entities that will be utilizing the composting facility.

Market Development Category:

Market development projects that provide markets for one or more of the following materials are strongly encouraged: used tires, colored glass, post-consumer boxboard and mixed plastics, in particular plastics other than clear HDPE and clear PET.

Market Development Research and Demonstration and Waste Reduction Research and Demonstration Categories:

- Research projects which focus on the "final stages" of research, and will yield results which can be directly applied by the targeted industry with little additional research or testing, are encouraged.

- Demonstration projects that will yield results that can be directly incorporated into full-scale application are encouraged.
- Research projects focused on the "early stages" of investigation such that additional research would be needed upon completion of the proposed SWAP project before the results could be applied are discouraged and will be given low priority.
- Proposed projects that directly involve industry and/or other targeted end users in the project methodology and include financial support from industry and/or other targeted end users will be given priority.

Resource Recovery Education Category:

- Applicants who demonstrate and commit to providing funding for ongoing operation of an education program after grant or loan funds are exhausted will be given priority.
- Education projects that are closely linked to the applicant's or other entities' recovery operations will be given priority. Education projects closely linked to recovery operations can more readily measure the impact of educational activities on diversion and/or participation rates.
- Applicants that have previously received SWAP funding for educational activities in the same geographic area will be low priority.
- Education projects that include salaries for private, for-profit entities and equipment that can be used for purposes other than that specified in the project (e.g., audio-visual equipment) are discouraged.

Household Hazardous Waste (HHW) Center Category:

- New HHWC projects will in general be given priority over expansion projects. New projects are those that will provide household hazardous waste (HHW) collection services for geographic areas where there are currently no HHWC collection services available. Projects proposing to expand HHW collection services in areas where some collection services are already in place will be given less consideration.
- Projects that include methods to maximize participation or utilization of the HHW collection program will be given priority. Methods might include aggressive education programs, source separation ordinances, or long term agreements with the units of government that will be participating in the HHW project.

EVALUATION CRITERIA

Each application is evaluated based on standard criteria called "priority evaluation items." There are general priority evaluation items as well as priority evaluation items for each category.

These priority evaluation items are weighed heavily by DNR staff in development of their funding recommendations. The written project evaluations prepared by DNR staff provides an evaluation of each of the priority evaluation items as listed here.

PRIORITY EVALUATION ITEMS FOR ALL CATEGORIES

- Application completeness, in particular eligibility requirements and category "fit."
- Project goals and measurable objectives.
- Need for the project in terms of current solid waste management practices and programs in the area to be served by the project, including consideration of existing entities.
- Overall budget justification and project cost effectiveness.
- Demonstration of the project's economic feasibility and, if appropriate, sustainability. For private, for-profit applicants, this includes documentation of the applicant's financial viability. Refer to page D-19 of this Appendix for a description of the financial viability evaluation process.
- Justification of the need for State funding to carry out the project.
- Applicant's ability and qualifications to complete the project and, if appropriate, sustain project operations.
- Project methodology and technology, including technical feasibility of the project.

ADDITIONAL CATEGORY SPECIFIC PRIORITY EVALUATION ITEMS

Recycling-Collection/Processing Category:

- Need for the project based on the availability of services from existing entities.
- Documentation of material source commitments.
- Documentation of end market commitments for the collected or processed materials.

Composting Category:

- Need for the project based on the availability of services from existing entities.
- Documentation of material source commitments.
- Documentation of market commitments for the finished compost.

Market Development Category:

- Documentation that the technology to be used is proven and beyond the research phase.
- Need for the project based on availability of markets for the targeted materials (services from existing entities.)
- Documentation of material source commitments.
- Ability to sell the end product based on documentation of end market commitments and quality of the marketing plan.

Market Development Research and Demonstration Category:

- Need for the project in terms of its potential impact on the waste stream.
- Need for the project based on previous research.
- Need for the project as demonstrated by the involvement and financial support of targeted end users.
- Demonstration of an effective technology transfer program, including demonstration of applicant's technology transfer capabilities.

Waste Reduction Research and Demonstration Category:

- Need for the project in terms of its impact on the waste stream by the reduction of solid waste at the source of generation.
- Need for the project based on previous research.
- Need for the project as demonstrated by the involvement and financial support of targeted end users.
- Demonstration of an effective technology transfer program including demonstration of applicant's technology transfer capabilities.

Resource Recovery Education Category:

- Demonstration that the educational program will assist in increasing recovery rates at local recycling and composting programs.
- Demonstration of support from local recycling and composting programs.
- Demonstration of project viability beyond the one year grant or loan period.

Household Hazardous Waste Center Category:

- Demonstration of ability of the proposed facility or structure to sort, pack and/or store household hazardous waste.
- Demonstration of adequate site design.
- Demonstration of an effective program to educate the public about household hazardous waste and to promote participation in the program.
- Demonstration of funding for long-term operation of the program after the grant or loan funds have been exhausted.

Waste-to-Energy Category:

- For applications for air pollution control equipment or ash reuse or recycling equipment, clear documentation that the area is served by recycling, composting and household hazardous waste collection programs and that the recycling and composting programs recovery rates meet the goals of the Solid Waste Policy.

A DISCUSSION OF EVALUATION CRITERIA

To help applicants evaluate their own applications prior to submitting them to the DNR, some of the priority evaluation items are discussed in more detail below. Reviewing this information both prior to and after completing the application can help applicants identify and correct areas where the application is weak or incomplete. If an application is significantly incomplete or weak in a number of priority evaluation items, it may be eliminated from further consideration after initial staff review of the application.

Application Completeness and Category "Fit":

- The entire application must be completed, including general and category specific information, forms, narrative responses and supporting documentation. Applicants should never assume a specific question is not applicable to their project. Significantly incomplete applications will be rated ineligible.
- All documentation in the application such as letters of support, source and market commitment letters, letters of consistency with the county solid waste management plan, price quotes, etc. must be current.
- All eligibility requirements (those questions and items marked with an "*" within the application) must be fully addressed in the application.
- The application must clearly fit into and meet the intent of a single funding category.
- The application must include only eligible budget items for the category.

Project Goals and Measurable Objectives:

- The application must include clear project goals and measurable objectives. For projects that involve the recovery of materials, objectives should be expressed in the annual quantities and types of materials that will be diverted from the Michigan solid waste stream directly as a result of the project. For expansion projects, the objectives should clearly quantify the new, additional diversion that will result from project.
- The application should demonstrate that the goals and objectives are consistent with the Solid Waste Policy, county solid waste management goals and the intent of the Solid Waste Alternatives Program.
- Additional guidance may also be included in category specific information starting on page D-10.

Need for the Project in terms of Solid Waste Management Practices and Programs including consideration of Existing Entities:

- The application must clearly demonstrate that the project is needed. Need for the project should be demonstrated in terms of Michigan solid waste management needs and the needs of the specific area to be served by the project. Information about existing disposal methods and recovery operations and services should clearly demonstrate the need for the proposed project.
- The application should demonstrate that the project cannot be carried out without grant or loan funding.
- For projects that involve the recovery of materials, the application should demonstrate that the materials will not be recovered without grant or loan funding for the proposed project.
- For projects that involve the recovery of materials, the application must demonstrate that existing entities - both public and private - are not currently recovering the same materials or are not planning to recover these materials in the same time frame as the applicant.
- Additional guidance may also be included in category specific information starting on page D-10.

Overall Budget Justification and Cost Effectiveness:

- The application must clearly describe and justify the need for each individual budget item.
- The application should demonstrate that the amount of funding requested for each budget item is reasonable by providing a detailed description and justification for each item and price quotations.
- The application should demonstrate that the project can best be completed with the specific items included in the grant or loan budget.
- For projects that involve the recovery of materials, the application should demonstrate that the specific items included in the grant or loan budget are needed to recover the targeted materials.
- The application should demonstrate why the project cannot be carried out without grant or loan funding.
- The application should demonstrate that the amount of funding being requested is reasonable based on the proposed project accomplishments. For projects that involve the recovery of materials, the application should demonstrate that the amount of funding requested is reasonable based on proposed recovery rates. Only the additional materials to be diverted from the Michigan waste stream will be considered in evaluating cost effectiveness.
- The application must demonstrate that the project is cost-effective.
- Additional guidance may also be included in category specific information starting on page D-10.

Demonstration of Project's Economic Feasibility:

- The application must demonstrate that the applicant has the economic resources to complete the project. For grants and loans for capital costs (structures and/or equipment) the applicant must demonstrate they have the resources to maintain operations for ten years.
- The application must demonstrate that the project is economically feasible. For projects with ongoing operational commitments, economic feasibility should be demonstrated through a proposal operating plan that shows that annual project revenues will exceed annual project expenses or through documentation that an outside source of funding is available to sustain the project. If project revenues are to support operations, the application must describe the rationale and assumptions used to determine future revenues. If an outside source of funding is to support the project, the applications must document the availability of that source.
- Applications from private, for-profit applicants must demonstrate that the company is financially viable and, as such, capable of maintaining project operations. Refer to page D-19 of this Appendix for a description of the financial viability evaluation process.
- Additional guidance may also be included in category specific information starting on page D-10.

Justification of the Need for State Funding:

- The application should demonstrate that the project can best be implemented with the specific items included in the project budget.
- The application should demonstrate why the project cannot be carried out without grant or loan funding. Other funding options considered by the applicant should be thoroughly discussed in the application, including an explanation of why these options were not feasible.
- Grant applications must address why SWAP loan funding is not being requested.
- Applications should also justify the need for State funding by justifying the need for the project and through overall budget justification. (See items defined above).
- Additional guidance may also be included in category specific information starting on page D-10.

Applicant's Ability and Qualifications to Complete and Sustain the Project:

- The application must demonstrate that the applicant has the economic resources to complete the project and, if appropriate, maintain operations for ten years.
- The application must demonstrate that the applicant has the institutional resources, knowledge of the subject area and experience necessary to complete the project and, if appropriate, maintain operations.
- The application must demonstrate that the applicant has the support and commitment to participate in the project from any other entity that will be involved in implementing the project. If the project relies of the financial support, expertise or assistance of entities other than the applicant, the abilities and qualifications of these entities should be demonstrated.

- The application should demonstrate that the applicant has provided opportunities for public comment on the proposed project and has public support.
- Additional guidance may also be included in category specific information starting at the bottom of this page.

Project Methodology/Technology:

- The application must clearly describe the project methodology/technology, including each step that will be taken to complete and the project. For projects with an ongoing operational commitment, each aspect of project operations should be described in detail. If the project relies on the assistance of entities other than the applicant to complete or operate the project, the role of these entities should be described and documented with letters of commitment.
- The application should completely describe all project operations, including relevant aspects of the operation not proposed for SWAP funding.
- For projects that will recover materials, the application must clearly demonstrate how the proposed recovery rates will be achieved.
- The application should demonstrate that the project methodology/technology is technically feasible and cost-effective to complete and operate.
- For projects that involve the recovery of materials, the application should demonstrate that proposed recovery rates are reasonable based on the project methodology and the level of funding requested.
- Additional guidance may also be included in category specific information starting at the bottom of this page.

Recycling-Collection/Processing Category:

Need for the project:

- The application must demonstrate that the materials to be recovered by the project are not currently being recovered.
- The application must demonstrate that the targeted materials would not be recovered in a timely manner if the proposed project were not implemented. A thorough discussion of the services currently available and planned by existing entities are part of this demonstration.
- The application must demonstrate that the applicant has made a thorough effort to contact existing entities to determine the proposed project's impact/relationship to their services.

Source Commitments:

- The application must have source commitments for all materials. Source commitments must be for the same types and quantities of material to be collected and/or processed. Source commitments should demonstrate that materials will be diverted from the Michigan waste stream.

- Source commitments should demonstrate that materials are not currently being recovered.

Market Commitments:

- Market commitments for the materials to be recovered must be included. Market commitments must be for the same types and quantities of collected or processed recyclables expected to be produced. Market commitments should demonstrate that the materials to be recovered by the project will be accepted by the market without displacing materials already being accepted.

Project Goals and Objectives:

- The application must clearly identify the annual recovery rates for each type of material for each of the first ten years of operation and include the methods for determining recovery rates.
- For projects that involve expansion of existing operations, the application must clearly identify the quantity of additional materials that will be recovered as a result of the project.

Economic Feasibility and Sustainability:

- The application must demonstrate the applicant's ability and intent to operate the project for ten years. The source and availability of funds for ongoing operations must be clearly demonstrated.

Project Methodology and Technology:

- The application should describe the entire recycling operation -- from collection through processing to marketing -- not just that portion associated with the funding request. For example, if funds for a collection vehicle are being requested, the entire recycling operation, including processing and marketing of materials, should be described.
- The application should document what methods will be used to maximize participation or utilization of the proposed recycling services.

Composting Category:

Need for the Project:

- The application must demonstrate that the materials to be recovered by the project are not currently being recovered.
- The application must demonstrate that the targeted materials would not be recovered in a timely manner if the proposed project were not implemented. A thorough discussion of the services currently available and planned by existing entities are part of this demonstration.

- The application must demonstrate that the applicant has made a thorough effort to contact existing entities to determine the proposed project's impact/relationship to their services.

Source Commitments:

- The application must have source commitments for all materials. Source commitments must be for the same types and quantities of material to be collected and/or processed. Source commitments should demonstrate that materials will be diverted from the Michigan waste stream.
- The application must include a commitment to ensure that bans on the landfill and burning of yard waste are in place before a grant contract is issued. The application should describe what efforts will be taken to ensure these bans are in place.

Market Commitments:

- Market commitments for the materials to be recovered must be included. Market commitments must be for the same types and quantities of finished compost expected to be produced. Market commitments should demonstrate that the materials to be recovered by the project will be accepted by the market without displacing materials already being accepted.

Project Goals and Objectives:

- The application must clearly identify the annual recovery rates for each type of material for each year of the first ten years of operation and include the methods for determining recovery rates.
- For projects that involve expansion of an existing operation, the application must clearly identify the quantity of additional materials that will be recovered as a result of the project.

Economic Feasibility and Sustainability:

- The application must demonstrate the applicant's ability and intent to operate the project for ten years. The source and availability of funds for ongoing operations must be clearly demonstrated.

Project Methodology and Technology:

- The application should describe the entire composting operation -- from collection through processing to marketing/use of the finished compost -- not just that portion associated with the funding request. For example, if funds for processing equipment are being requested, the entire composting operation, including collection of yard waste, delivery to the site, site operation and management and marketing of finished compost, should be described.

- The application should include a comprehensive site management plan that demonstrates the site and operations will be effectively managed to prevent odor, drainage problems, litter and other potential adverse impacts.
- The application should document what methods will be used to maximize participation or utilization of the composting services.

Market Development Category:

Proven Technology:

- The application must demonstrate that the technology is proven and clearly beyond the research phase. Documentation of where the technology is being used elsewhere must be provided.

Need for the Project:

- The application must demonstrate that the materials to be recovered by the project are not currently being recovered.
- The application must demonstrate that the targeted materials would not be recovered in a timely manner if the proposed project were not implemented. A thorough discussion of the services currently available and planned by existing entities are part of this demonstration.
- The application must demonstrate that the applicant has made a thorough effort to contact existing entities to determine the proposed project's impact/relationship to their services.

Source Commitments:

- The application must have source commitments for all materials. Source commitments must be for the same types and quantities of materials to be recovered by the project. Source commitments should demonstrate that materials will be diverted from the Michigan waste stream.

Market Commitments and Ability to Sell the End Product:

- Market commitments for the end product must be included. Market commitments must be for the same types and quantities of end product to be manufactured as a result of the project. Market commitments should demonstrate that purchase of the applicant's end product will be in addition to the customer's current purchases of recycled products.
- The application must include a detailed marketing plan that helps demonstrate the applicant's ability to sell the end product.

Project Goals and Objectives:

- The application must clearly document the annual quantity of materials to be recovered from the Michigan waste stream as a result of the project for each year of the first ten years of operation. This includes describing the annual quantities of materials to be processed at the facility, the quantities of unusable materials that are rejected and disposed of and the net quantities which will be diverted annually from landfills or incinerators as a result of the project.
- For projects that involve the expansion of an existing operation, the application must clearly document the quantity of additional materials that will be recovered.

Economic Feasibility and Sustainability:

- The application must demonstrate the applicant's ability and intent to operate the project for ten years. For start-up companies, it is particularly important that the source and availability of match, additional capital costs and initial operating costs be clearly demonstrated.

Project Methodology and Technology:

- The application should describe the entire recovery and manufacturing operation, not just that portion associated with the funding request. The steps involved in project construction and operation should be addressed in detail. The project operations discussion should include the collection, storage, processing, and utilization of materials; end product manufacturing and marketing of the end product.

Market Development Research and Demonstration Category:

Need for the Project:

- The application should document the need for the project in terms of its potential impact on the Michigan waste stream and in terms of the project's relationship to previous research or demonstration efforts.
- The application should demonstrate that project results are likely to be used in the development of markets for recyclables in the waste stream.
- The application should document the interest and support of targeted industry/end users through: industry/end user involvement in research activities, commitments of financial support for the project and letters from industry/end users documenting the need for the research and willingness to utilize research results.

Technology Transfer:

- The application should demonstrate that there will be an effective technology transfer program to make the project results available for use by others. The applicant's technology transfer capabilities and past successes in transferring technology from research to use within industry should be demonstrated.

Overall Budget Justification:

- Salary costs should be described in detail, including how each individual contributes toward project work tasks and final products.

Applicant's Ability and Qualifications:

- The application should clearly describe the project team and their qualifications. The applicant's technology transfer capabilities and past successes in transferring technology from research to use within industry should be demonstrated.

Project Methodology and Technology:

- The application should clearly describe the project methodology, including the work tasks and products to be delivered.
- The application should identify what additional steps would have to be taken before the research or demonstration results could be utilized.

Waste Reduction Research and Demonstration Category:

Need for the Project:

- The application should document the need for the project in terms of its potential impact on the Michigan waste stream by the reduction of solid waste at the source of generation and in terms of the project's relationship to previous research or demonstration efforts.
- The application should document the interest and support of targeted industry/end users through: industry/end user involvement in research activities, commitments of financial support for the project and letters from industry/end users documenting the need for the research and willingness to utilize research results.

Technology Transfer:

- The application should demonstrate that there will be an effective technology transfer program to make the project results available for use by others. The applicant's technology transfer capabilities and past successes in transferring technology from research to use within industry should be demonstrated.

Overall Budget Justification:

- Salary costs should be described in detail, including how each individual contributes toward project work tasks and final products.

Applicant's Ability and Qualifications:

- The application should clearly describe the project team and their qualifications. The applicant's technology transfer capabilities and past successes in transferring technology from research to use within industry should be demonstrated.

Project Methodology and Technology:

- The application should clearly describe the project methodology, including the work tasks and products to be delivered.

Resource Recovery Education Category:

Demonstration that project will assist in increasing Recovery Rates:

- The application must clearly demonstrate how the educational program will assist in increasing diversion rates at local recycling and/or composting programs and how this impact will be measured.

Demonstration of Support from Local Recovery Programs:

- The application must document that the local recovery programs that will be promoted by the project need and support the education project and are willing to provide data on how the educational efforts impact participation and/or diversion rates.
- Letters of support and commitment should document that the local recovery operations understand the nature of the education project and how it relates to their operations.

Demonstration of Project Viability beyond One Year:

- The application should demonstrate the applicant's ability and intent to continue educational activities in the future after grant or loan funds have been exhausted.

Need for the Project:

- The application must clearly demonstrate that the project is needed in terms of other resource recovery educational programs underway or planned in the area. The application should demonstrate how the proposed project relates to other educational efforts in the area, conducted by the applicant or others.

Project Methodology and Technology:

- The application must document that the applicant has the support and commitment to participate in the project from any other entity involved in implementing the project, such as the target groups for educational efforts - schools, community groups, etc. Letters of commitment should demonstrate that these entities understand the nature of the education project and their role in implementation.

- The application must clearly describe the educational program to be implemented and provide rationale for the methods selected.

Household Hazardous Waste Center Category:

Demonstration of the Adequacy of the Proposed Facility:

- The application must demonstrate the adequacy of the proposed facility or structure to sort, pack and/or store household hazardous waste.

Demonstration of an Effective Education Program:

- The application should demonstrate that there is a plan for educating the public about household hazardous waste and for promoting participation in the program.

Demonstration of Funding for On-going Operations:

- The application must document how operation of the HHW program will be funded after the grant or loan funds have been exhausted. Failure to document a stable and adequate source of funding for ongoing operations will in itself prevent an application from being recommended for funding.

Project Methodology and Technology:

- The application must demonstrate the adequacy of equipment, materials and personnel to respond to on-site spills and/or emergencies.
- The application must demonstrate adequate waste handling, storage, transport and disposal procedures.

Waste-to-Energy (WTE) Category:

Documentation of Recycling, Composting, Household Hazardous Waste Programs:

- Applications for air pollution control equipment or ash reuse or recycling equipment must clearly document current levels of recycling and composting in the area served by the facility. Existing recycling, composting and household hazardous programs must be described and current and future recovery rates must be documented. For recycling and composting, recovery rates must be documented which meet the goals of the Solid Waste Policy.

Overall Budget Justification:

- The application must document the total project cost to demonstrate that the amount of funding requested is appropriate.

Other:

- **For WTE applications for recycling, composting or household hazardous waste centers, see criteria for those categories.**

FINANCIAL VIABILITY EVALUATION

Evaluations of financial viability for private sector grant and loan applicants are performed by staff of the Department of Commerce. For grant applicants, this evaluation focuses on whether the applicant has demonstrated that the company and proposed project is viable so that it is likely that project operations can be maintained over a ten year period. For loan applicants, the evaluation is focused on whether the applicant has demonstrated its ability to repay the loan.

The evaluation consists of the following steps:

- Historical financial statements, both balance sheets and income statements, are evaluated with regard to such items as sales growth, profitability, total assets, any unusual liabilities, etc.
- Trends are evaluated and compared with other similar industries utilizing such publications as the Robert Morris and Associates (RMA) Annual Statement Studies.
- Financial ratios are calculated and compared with RMA data for similar industries.
- For those companies in business for less than twelve months, business plans and financial projections are reviewed.
- The management team for the company is evaluated based upon experience in the industry or other similar industries.

If, based on the above analysis, the Department of Commerce determines that a private, for-profit grant applicant is not financially viable or that a loan applicant does not have the ability to re-pay the loan, the application is likely to be considered ineligible.

APPENDIX E
GUIDANCE FOR DETERMINING THE SUITABILITY OF A GRANT OR A LOAN

In determining the suitability of a proposed project for a grant as opposed to a loan, the applicant should consider the following:

- The degree of profitability of the proposed project. A project with a significant potential for profit, especially short-term profit, should be considered as more suitable for a loan than a grant.
- The amount of capital investment in the proposed project by the applicant. Projects in which the applicant has invested substantially more money over and above the match requirement should be considered more suitable for a grant as opposed to a loan than similar projects in which the applicant provides only the match.
- Whether the applicant is seeking funds for replacement of existing equipment. Replacement of existing equipment is not an eligible item for a grant, but is an eligible item for a loan.
- A loan applicant must document the financial ability to repay a loan. The additional loan application form must be submitted.
- Financial needs meet loan caps. For many project categories, additional State funds are available for loans as compared to grants, and the required match is less.

**APPENDIX F
EXAMPLE LETTERS**

EXAMPLE 1: DOCUMENTED MARKET COMMITMENT

Documentation of Available Markets for Post-Consumer HDPE Recovery by Filmore Recycling, Inc. (the applicant).

This document will serve to confirm that Gem Star, Inc. (Richmond, Michigan) is willing to purchase post-consumer HDPE which is recovered and granulated by Filmore, Inc. (Walled Lake, Michigan), provided it meets our collection point certification program criteria as we have previously provided, F.O.B. shipping point at the board price in Chicago.

It is our understanding that Filmore Recycling, Inc. is planning to recover the following amount of post-consumer HDPE, as part of its recycling efforts:

<u>Year</u>	<u>Pounds of HDPE Recovered and Granulated</u>
1996	94,000
1997	99,000
1998	117,000
1999	123,000
2000	125,000
2001	131,000
2002-2005	143,000

Gem Star, Inc. should be able to purchase at a minimum, the types and amount of materials described above.

Furthermore, Gem Star, Inc. can purchase the recyclables mentioned above from Filmore Recycling, Inc., in addition to the materials which our Company is already accepting from other sources and/or is planning to recover from other sources in the future.

Signature
(Director of Purchasing)

Date
(Gem Star, Inc.)

Signature
(President)

Date
(Filmore Recycling, Inc.)

EXAMPLE 2: EXISTING ENTITY CONTACT LETTER

To Whom it May Concern:

The ABC company is currently applying for a recycling-collection/ processing grant from the State of Michigan's "Protecting Michigan's Future", Solid Waste Alternatives Program. The purpose of the grant is to initiate/expand ABC's collection and processing of glass, steel and old newspaper from residential sources throughout Hill County.

The grant application requires that all entities that may provide similar services to our proposed project must be contacted. The purpose of contacting you is to determine if you are currently, or will be in the next five years, providing collection or processing services for any of the same materials, and in any of the same areas, in which ABC is planning to provide its services with the assistance of the Solid Waste Alternatives Program grant.

If, based upon the identified target materials and the service area described, you wish to comment on our application, then you must submit your written concerns along with a description of your business or organization which identifies the services you provide, the materials you handle and the geographic area you serve, to the following address:

--Applicant should provide their complete Company name and address here--

Please respond to our letter by _____. Please send a copy of your response to the Michigan Department of Natural Resources at the following address: (Note: The applicant should provide at least two weeks for the existing entity to respond).

Michigan Department of Natural Resources
Waste Management Division
Solid Waste Alternatives Program Unit
P O Box 30241
Lansing MI 48909-7741

Your letter should reference our name (ABC Company) and our intent to apply for a recycling-collection/processing grant. Thank you for your time and effort in responding to our letter.

Sincerely,

Name
ABC Company
517-555-0000

EXAMPLE 3: SOURCE COMMITMENT LETTER FROM A COMMUNITY

Ms. Sue Suzanne, Mayor
City of Riverside
City Hall
1502 Main Street
Riverside, Michigan 00000

Dear Mayor Suzanne:

I am offering this letter of commitment on behalf of the City of Parishville for the Recycling-Collection/Processing grant application currently being submitted by the City of Riverside to the Solid Waste Alternatives Program. It is my understanding that with the assistance of the Recycling grant, the City of Riverside will develop a materials recovery facility.

The regional development of this type of processing facility will be essential for the City of Parishville to establish a curbside recycling operation. The City of Parishville currently provides curbside collection of solid waste and, therefore, controls the recyclables generated by City residents.

We will institute a curbside collection program for our residents to separate plastics, glass, newspaper and metals and are prepared to commit these materials to the City of Riverside's materials recovery facility. Assuming a 25 percent residential participation rate in our program, we estimate that 350 tons/year of materials that are currently not being recovered will be collected by our program.

Sincerely,

Jane Smithe
City Engineer
313-555-1234

EXAMPLE 4: SOURCE COMMITMENT LETTER FROM A PRIVATE WASTE HAULER

Ms. Sue Suzanne, Mayor
City of Riverside
City Hall
1502 Main Street
Riverside, Michigan 00000

Dear Mayor Suzanne:

I am offering this letter of intent from Citywide Hauling Services for the Recycling-Collection/Processing grant application currently being submitted by the City of Riverside to the Solid Waste Alternatives Program. It is my understanding that with the assistance of the Recycling grant, the City of Riverside will develop a materials recovery facility.

The regional development of this type of processing facility will be essential to the expansion of curbside recycling operations in the Riverside area. Citywide Hauling Services currently provides curbside collection of solid waste to 95 percent of the households in the City of Riverside.

We will institute a curbside collection program for our customers to separate plastics, glass, newspaper and metals and are prepared to commit these materials to the City of Riverside's materials recovery facility. Assuming a 25 percent residential participation rate in our program, we estimate that 350 tons/year of materials that are currently not being recovered will be collected by our program and committed to the proposed facility.

Sincerely,

Jon Smithe
President
313-555-1234

EXAMPLE 5: SOURCE COMMITMENT LETTER FROM A BUSINESS (WASTE GENERATOR)

Ms. Jane J. Jones
EZ Recycling, Inc.
1111 South Street
Little City, Michigan 44444

Dear Ms. Jones:

Our company generates 30 cubic yards of office paper per month and 40 cubic yards of corrugated cardboard per month. Currently, this is being landfilled with the rest of our solid waste. We would like EZ Recycling to collect the office paper and corrugated for recycling.

We will institute a program to separate these materials from the rest of our solid waste and have them on our dock for collection. We would like to enter into a contract for EZ Recycling to provide the collection services and will commit all of our recyclable office paper and corrugated cardboard, including any additional volumes which may occur, to your company for ten years.

Sincerely,

George A. Smith
Best Offices, Inc.
906-555-1234

**APPENDIX G
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
WASTE MANAGEMENT DIVISION - DISTRICT OFFICES**

REGION I

Marquette

1990 US 41 South
P.O. Box 190
Marquette, Michigan 49855
906-228-6561

REGION II

Cadillac

Route #1
8015 Mackinaw Trail
Cadillac, Michigan 49601
616-775-9728

Grayling

Route #3
1955 North I-75 BL
Grayling, Michigan 49738
517-348-6371

Gaylord

P.O. Box 667
1732 West M-32
Gaylord, Michigan 49735
517-732-3541

Saginaw-Bay

503 North Euclid
Bay City, Michigan 48706
517-684-4482

REGION III

Grand Rapids

State Office Building
350 Ottawa Avenue, NW
Grand Rapids, Michigan 49503
616-456-5071

Shiawassee

10650 South Bennett Road
Morrice, Michigan 48857
517-625-4600

Jackson

State Office Building
301 East Louis Glick Highway
Jackson, Michigan 49201
517-788-7900

Livonia

Southeast Michigan District HQ
38980 Seven Mile Road
Northville, Michigan 48152
313-953-0241

Plainwell

621 North 10th Street
P.O. Box 355
Plainwell, Michigan 49080
616-685-6851

**ACT 641 SOLID WASTE MANAGEMENT PLANNING
DESIGNATED PLANNING AGENCIES AND CONTACT PERSONS**

<p>CONA Rick Deuell Northeast Michigan Council of Governments 517/732-3551</p> <p>ALGER David Gillis Central Upper Peninsula Planning and Development Regional Commission 906/786-9234</p> <p>ALLEGAN Mary Jones Allegan County Board of Commissioners 616/673-5415</p> <p>ALPENA Rick Deuell Northeast Michigan Council of Governments 517/732-3551</p> <p>ANTRIM Peter Garwood Antrim County Planning Commission 6/533-6353</p> <p>ARENAC Susan Fortune East Central Michigan Planning and Development Region 517/797-0800</p> <p>BARAGA Mr. Kim Stoker Western Upper Peninsula Planning and Development Region 906/482-7205</p> <p>BARRY V. Harry Adrounie Barry County Solid Waste Planning Committee 616/945-9516</p> <p>BAY Tom Hickner Bay County Executive 517/895-4130</p> <p>BENZIE Dave Neiger Benzie County Solid Waste Advisory Committee 6/882-9674</p>	<p>BERRIEN Dennis Schuh Berrien County Planning Department 616/983-7111 ext. 617</p> <p>BRANCH John Dean Branch County Department of Public Works 517/279-8411 ext. 235</p> <p>CALHOUN Richard Smith Calhoun County Department of Planning & Development 616/781-0816</p> <p>CASS Jim Howard Southwestern Michigan Commission 616/925-1137</p> <p>CHARLEVOIX Larry Sullivan Charlevoix County Planning Commission 616/547-7234</p> <p>CHEBOYGAN Rick Deuell Northeast Michigan Council of Governments 517/732-3551</p> <p>CHIPPEWA John W. Campbell Eastern Upper Peninsula Regional Planning and Development Commission 906/635-1581</p> <p>CLARE Dale Dancer Clare County Department of Public Works 517/539-7320</p> <p>CLINTON Jon Coleman Tri County Regional Planning Commission 517/393-0342</p> <p>CRAWFORD Rick Deuell Northeast Michigan Council of Governments 517/732-3551</p>	<p>DELTA David Gillis Central Upper Peninsula Planning and Development Regional Commission 906/786-9234</p> <p>DICKINSON William Marchetti Dickinson County Board of Commissioners 906/774-2573</p> <p>EATON Jon Coleman Tri County Regional Planning Commission 517/393-0342</p> <p>EMMET Elisa Seltzer Emmet County Department of Public Works 616/348-1731</p> <p>GENESEE Ron Johnson Genesee County Division of Water and Waste Services 810/732-7870</p> <p>GLADWIN Susan Fortune East Central Michigan Planning and Development Region 517/797-0800</p> <p>GOGBIC Mr. Kim Stoker Western Upper Peninsula Planning and Development Region 906/482-7205</p> <p>GRAND TRAVERSE Arlin Wasserman Grand Traverse County Solid Waste Coordinator 616/922-4576</p> <p>GRATIOT Helen J. Laurenz Gratiot County Department of Public Works 517/875-5207</p> <p>HILLSDALE Hillsdale County Board of Commissioners 517/437-3932</p>	<p>HOUGHTON Mr. Kim Stoker Western Upper Peninsula Planning and Development Region 906/482-7205</p> <p>HURON Carl Osentoski Huron County Economic Development Corp 517/269-6431</p> <p>INGHAM Jon Coleman Tri County Regional Planning Commission 517/393-0342</p> <p>IONIA Donald Lehman Ionia County Planning Commission 616/527-5357</p> <p>IOSCO Susan Fortune East Central Michigan Planning and Development Region 517/797-0800</p> <p>IRON Mr. Kim Stoker Western Upper Peninsula Planning and Development Region 906/482-7205</p> <p>ISABELLA Bruce E. Rohrer Isabella County Board of Public Works 517/772-0911</p> <p>JACKSON Elwin Johnson Jackson County Department of Public Works 517/788-4447</p> <p>KALAMAZOO Dean Holub Kalamazoo County Department of Planning 616/384-8112</p> <p>KALKASKA Virginia Long Kalkaska County Board of Commissioners 616/258-4413</p> <p>KENT Curt A. Kempainen Kent County Board of Public Works 616/336-3894</p>
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KEWEENAW

Mr. Kim Stoker
Western Upper Peninsula Planning
and Development Region
906/482-7205

LAKE

Sharyn McGrechan
Office of the Lake County Clerk
616/745-2725

LAPEER

Renee Wrubiewski
Lapeer County Solid Waste
Authority
810/667-0452

LEELANAU

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LENAWEE

Carolyn Depp
Lenawee County Solid Waste
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LIVINGSTON

William D. Wagoner
Livingston County Planning
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906/635-1581

MACKINAC

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616/723-6041

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Marquette County Resource
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906/228-1535

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616/796-2505

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Missaukee County Planning Dept.
616/839-7988

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WEXFORD

Gary R. Fuller
Wexford County Department of
Public Works
616/775-0155

PROTECTING MICHIGAN'S FUTURE BOND
SOLID WASTE ALTERNATIVES PROGRAM

Staff of the Department of Natural Resources, Waste Management Division, Solid Waste Alternatives Program Unit, can provide guidance in the completion of application packages in the following categories:

Recycling-Collection & Processing Projects	Brian Burke John McCabe	517/373-4742 335-4789
Composting Projects	John McCabe Brian Burke	335-4789 373-4742
Resource Recovery Education	Lucille Scotti John McCabe Brian Burke	373-8422 335-4789 373-4742
Market Development Projects	Lisa Kapp Sharon Edgar John McCabe	335-4923 373-4749 335-4789
Market Development Research & Demonstration	Lisa Kapp Sharon Edgar John McCabe	335-4923 373-4749 335-4789
Waste Reduction Research & Demonstration	Lisa Kapp	335-4923
Household Hazardous Waste Centers	Lucille Scotti	373-8422
Waste-to-Energy Projects	Sharon Edgar	373-4749

General program questions can be directed to Ms. Sharon Edgar at 517-373-4749 or Ms. Carole Brunner at 517-373-4739.