



CITY of NOVI CITY COUNCIL

Agenda Item 1
October 28, 2013

SUBJECT: Adoption of two Resolutions Authorizing Stormwater, Asset Management, and Wastewater (SAW) Grant Agreements to secure grant funding for wastewater planning/design and asset management activities, respectively.

SUBMITTING DEPARTMENT: Department of Public Services, Water and Sewer Division

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

The Michigan Department of Environmental Quality (MDEQ) is administering a new Stormwater, Asset Management, and Wastewater (SAW) grant and loan program, which provides grants for costs associated with the following:

- Planning and design of sewage collection and treatment projects
- Development of asset management plans for sanitary and stormwater systems
- Development of stormwater plans
- Pilot testing of innovative projects

Grants are available for up to \$2 million per municipality with a 10% local match on the first \$1 million, and a 25% local match on the second \$1 million. Grants cover only planning and design activities and may be used for payment of consultants or contractors, or to pay for City personnel and expenses directly related to the work. Any construction activities would have to be paid out of the City's Water and Sewer Fund.

The City is submitting two separate grant applications as follows:

1. **A planning and design grant for the portion of the sewage collection system tributary to the Rouge Valley Sewage Disposal System (RVSDS).** The scope of work for this grant application includes flow monitoring, sewer inspections, manhole inspections, flow analysis, and design of manhole rehabilitation. The cost estimate for this project is \$988,000. A copy of the October 9th Stormwater, Asset Management, & Wastewater (SAW) Grant Application off-week memo is attached for reference and provides a more detailed description of the scope of work for this grant application. Also attached is a copy of the SAW Grant application for reference.
2. **An asset management plan for the portion of the collection system tributary to the Walled Lake – Novi Wastewater Treatment Plant (WL-N WWTP).** The scope of work for this grant application includes inventorying and assessing the condition of the assets, assessing risk and criticality for each asset, and determining future investment needs and prioritization; as well as to review current operation and maintenance methods and funding sources. The cost estimate for this project is \$750,000. The Oakland County Water Resources Commissioner (OCWRC) is facilitating the grant application for this portion of the system, which OCWRC currently operates and maintains (the City of Novi owns collection system

assets in the WL-N District). A copy of the SAW Grant application is attached for reference and provides a more detailed description of the scope of work for this grant application.

For both proposed projects, the City’s total grant application request will be \$1,738,000 in project funding, with a required local match of \$284,500 (10% on first \$1 million and 25% of the portion above \$1 million).

The grant application for the proposed work will be accepted by the MDEQ beginning December 2, 2013. Because a large volume of SAW grant applications is expected, the MDEQ has established a selection process whereby any approvable and complete grant applications that are received by the MDEQ on or before December 2, 2013 will be date-stamped with the same arrival date. These date-stamped applications will then be entered into a pool of applications and grant awardees will be selected by lottery. If we receive an award, the grant funding will be available in April 2014. Due to anticipated popularity of this program, it is critical to ensure the application is complete, approved and ready for submission on or before December 2.

Attached are two resolutions corresponding to each project described above. The Resolutions Authorizing Stormwater, Asset Management, and Wastewater (SAW) Grant Agreements and the draft SAW Grant Agreements have been favorably reviewed by the City Attorney’s office (see Beth Saarela’s October 18, 2013 letter, attached). Please note that the unconventional format of the resolutions is required in the grant application instructions. Any deviations could result in the denial of the grant applications.

RECOMMENDED ACTION: Adoption of two Resolutions Authorizing Stormwater, Asset Management, and Wastewater (SAW) Grant Agreements to secure grant funding for wastewater planning/design and asset management activities, respectively.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

City of Novi
County of Oakland

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the City Council of the City of Novi County of Oakland, State of Michigan, (the "Municipality") held on October 28, 2013.

PRESENT: Members: _____

ABSENT: Members: _____

Member _____ offered and moved the adoption of the following resolution, seconded by Member _____ .

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan Department of Environmental Quality (the "DEQ") shall establish a strategic water quality initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to municipalities for sewage collection and treatment systems or storm water or nonpoint source pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to establish a(n) (*select one or more*) asset management plan, stormwater management plan, plan for wastewater/stormwater, design of wastewater/stormwater, innovative technology, or for disadvantaged community construction activities (up to \$500,000).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate principal amount not to exceed \$988,000 ("Grant") be requested from the MFA and the DEQ to pay for the planning and/or design activities; and

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. City Manager (*title of the designee's position*), a position currently held by Clay Pearson (*name of the designee*), is designated as the Authorized Representative for purposes of the SAW Grant Agreement.
2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.
4. The Grant, if repayable, shall be a first budget obligation from the general funds of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.
5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.
6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.
7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.
8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

YEAS: Members:

NAYS: Members:

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the _____ of the _____ of _____, County of _____, said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Name
_____ of _____, Clerk
_____ of _____ County of _____

City of Novi
County of Oakland

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the City Council of the City of Novi County of Oakland, State of Michigan, (the "Municipality") held on October 28, 2013.

PRESENT: Members: _____

ABSENT: Members: _____

Member _____ offered and moved the adoption of the following resolution, seconded by Member _____ .

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan Department of Environmental Quality (the "DEQ") shall establish a strategic water quality initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to municipalities for sewage collection and treatment systems or storm water or nonpoint source pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to establish a(n) (*select one or more*) asset management plan, stormwater management plan, plan for wastewater/stormwater, design of wastewater/stormwater, innovative technology, or for disadvantaged community construction activities (up to \$500,000).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate principal amount not to exceed \$750,000 ("Grant") be requested from the MFA and the DEQ to pay for the planning and/or design activities; and

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. City Manager (*title of the designee's position*), a position currently held by Clay Pearson (*name of the designee*), is designated as the Authorized Representative for purposes of the SAW Grant Agreement.
2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.
4. The Grant, if repayable, shall be a first budget obligation from the general funds of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.
5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.
6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.
7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.
8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

YEAS: Members:

NAYS: Members:

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the _____ of the _____ of _____, County of _____, said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Name
_____ of _____, Clerk
_____ of _____ County of _____



JOHNSON ROSATI SCHULTZ JOPPICH PC

34405 W. Twelve Mile Road, Suite 200 ~ Farmington Hills, Michigan 48331-5627

Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrsjlaw.com

www.johnsonrosati.com

October 18, 2013

Rob Hayes, Public Services Director
CITY OF NOVI
Department of Public Services
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

Re: *Stormwater, Asset Management, and Wastewater (SAW) Grant Agreement and Resolution*

Dear Mr. Hayes:

We have reviewed the enclosed form Stormwater, Asset Management, and Wastewater (SAW) Grant Agreement and Resolution prepared by the State of Michigan for approval and submission with the City's SAW Grant Applications. As noted on the Resolution, the form of Resolution and Agreement may not be modified from the forms prepared and attached by the State of Michigan and must be executed "as-is" for consideration for grant funding.

The Agreement generally provides for the scope of the project, the term of the Agreement, obligations of the City to comply with applicable state and federal law in administration of the grant funded project, include the City's obligations to:

1. Proceed with a project for which grant funding is provided within 3 years after the department approves the grant for planning and design grant activities or make significant progress towards establishing a rate structure necessary to implement asset management plan recommendations; and
2. That the City repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8% per year, if the requirements contained in item 1 are not satisfied within 3 years of grant award.

Rob Hayes, Public Services Director
October 18, 2013
Page 2

With respect to liability, the City and the State are accepting responsibility for each one's own actions without waiving any applicable governmental immunity.

Further, the Agreement contains standard provisions requiring the City to maintain insurance; provide the State access to project documents; certify intentions to comply with the grant program policies; prohibit conflicts of interest; comply with the Elliott Larsen Civil Rights Act; and comply with applicable federal laws, including Anti-Lobbying, Unfair Labor Practices and the Iran Sanctions Act in administration of the project. The Agreement may be cancelled by the State with 30-day's notice. Upon cancellation, the State would pay "just and equitable" expenses incurred up to the date of cancellation.

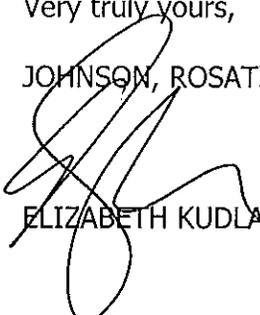
We recommend that either the City Manager, or the Public Services Director as the City Manager's designee be named as the City's "Authorized Representative" in the Resolution on the basis that the Resolution provides that the Authorized Representative may be required to execute additional contracts, certificates, instruments and documents as necessary to effect approval and delivery of the grant.

Subject to the above recommendation, we have no objections to the format or content of the Resolution and/or Agreement and see no legal impediment to passing the Resolution as required for submittal of the grant application packages.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.



ELIZABETH KUDLA SAARELA

EMK

Enclosures

C: Maryanne Cornelius, Clerk (w/Enclosures)
Clay Pearson, City Manager (w/ Enclosures)
Victor Cardenas, Assistant City Manager (w/Enclosures)
Tim Kuhns, Water and Sewer Engineer (w/Enclosures)
Brian Coburn, Engineering Manager (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)

**Please Use the Attached Resolution “As Is”
(Do Not Substitute Your Own Form)**

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

City _____ of Novi _____
County of Oakland _____

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the City Council _____ of the City _____
of Novi _____ County of Oakland _____, State of Michigan, (the
"Municipality") held on _____.

PRESENT: Members: _____

ABSENT: Members: _____

Member _____ offered and moved the adoption of the following resolution,
seconded by Member _____.

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and
Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL
324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan
Department of Environmental Quality (the "DEQ") shall establish a strategic water quality
initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to
municipalities for sewage collection and treatment systems or storm water or nonpoint source
pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other
applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient
shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality
to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to establish a(n) (*select one or
more*) asset management plan, stormwater management plan, plan for wastewater/
stormwater, design of wastewater/stormwater, innovative technology, or for
disadvantaged community construction activities (up to \$500,000).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate
principal amount not to exceed \$750,000 ("Grant") be requested from the MFA
and the DEQ to pay for the planning and/or design activities; and

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Senior Water and Sewer Engineer _____ (*title of the designee's position*), a position currently held by Tim Kuhns _____ (*name of the designee*), is designated as the Authorized Representative for purposes of the SAW Grant Agreement.

2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.

3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.

4. The Grant, if repayable, shall be a first budget obligation from the general funds of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.

5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.

6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.

7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

YEAS: Members:

NAYS: Members:

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the _____ of the _____ of _____, County of _____, said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Name
_____ of _____, Clerk
_____ of _____ County of _____



Michigan Finance Authority

Stormwater, Asset Management, and Wastewater (SAW) GRANT AGREEMENT

This Grant Agreement ("Agreement") is made as of _____ 20____, among the Michigan Department of Environmental Quality, Office of Drinking Water and Municipal Assistance (the "DEQ"), the Michigan Finance Authority (the "Authority") (the DEQ and the Authority are, collectively, the "State") and the _____, County of _____ ("Grantee") in consideration for providing grant assistance to the Grantee.

The purpose of this Agreement is to provide funding for the project named below. The State is authorized to provide grant assistance pursuant to the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Legislative appropriation of funds for grant disclosure is set forth in 2013 Public Act 59.

The Grantee shall be required to repay the grant made under this Agreement (the "Grant"), within 90 days of being informed by the State to do so, under certain conditions, as set forth in Section XVIII. Program Specific Requirements: SAW Grant.

Award of a Grant under this Agreement and completion of the activities identified in Exhibit A does not guarantee loan assistance from the State Revolving Fund, Strategic Water Quality Initiatives Fund, or Stormwater, Asset Management or Wastewater.

GRANTEE INFORMATION:

Name/Title of Authorized Representative

Address

Address

Telephone number

E-mail address

GRANT INFORMATION:

Project Name: _____
Project #: _____
Amount of Grant: \$ _____
Amount of Match \$ _____
Project Total \$ _____ (grant plus match)
Start Date: _____ End Date: _____

DEQ REPRESENTATIVE:

Name/Title

Address

Address

Telephone number

E-mail address

AUTHORITY REPRESENTATIVE:

Name/Title

Address

Address

Telephone number

E-mail address

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

The individuals signing below certify by their signatures that they are authorized to sign this Grant Agreement on behalf of their respective parties, and that the parties will fulfill the terms of this Agreement, including the attached Exhibit A, and use this Grant only as set forth in this Agreement.

GRANTEE

Signature of Grantee

Date

Name and title (typed or printed)

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Its Authorized Officer

Date

MICHIGAN FINANCE AUTHORITY

Its Authorized Officer

Date

I. PROJECT SCOPE

This Agreement shall be in addition to any other contractual undertaking by the Grantee contained in the Resolution authorizing the Grant (the "Resolution").

This Agreement, including its exhibit(s), constitutes the entire agreement between the DEQ, the Authority, and the Grantee.

(A) The scope of this Grant is limited to the activities specified in Exhibit A (the "Project"), and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.

(B) By acceptance of this Agreement, the Grantee commits to complete the Project identified in Exhibit A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

II. AGREEMENT PERIOD

This Agreement shall take effect on the date that it has been signed by all parties (the "Effective Date"). The Grantee shall complete the Project in accordance with all the terms and conditions specified in this Agreement no later than the End Date shown on page one. **Only costs incurred on or after January 2, 2013 and between the Start Date and the End Date shall be eligible for payment under this Grant.**

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

III. CHANGES

Any decreases in the amount of the Grantee's compensation, significant changes to the Project, or extension of the End Date, shall be requested by the Grantee in writing, and approved in writing by the State in advance. The State reserves the right to deny requests for changes to the Agreement including its Exhibit A. No changes can be implemented without approval by the State.

IV. GRANTEE PAYMENTS AND REPORTING REQUIREMENTS

The Grantee shall meet the reporting requirements specified in Section XVIII of this Agreement.

V. GRANTEE RESPONSIBILITIES

- (A) The Grantee agrees to abide by all local, state, and federal laws, rules, ordinances and regulations in the performance of this Grant.
- (B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this Grant is not a guarantee of permit approval by the state.
- (C) The Grantee shall be solely responsible to pay all taxes, if any, that arise from the Grantee's receipt of this Grant.
- (D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services furnished by its subcontractors under this Agreement. The State will consider the Grantee to be the sole point of contact concerning contractual matters, including payment resulting from this Grant. The Grantee or its subcontractor shall, without additional grant award, correct or revise any errors, omissions, or other deficiencies in designs, drawings, specifications, reports, or other services.
- (E) The DEQ's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The DEQ's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
- (F) The Grantee acknowledges that it is a crime to knowingly and willfully file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the Grant.

VI. ASSIGNABILITY

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

VII. NON-DISCRIMINATION

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

VIII. UNFAIR LABOR PRACTICES

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq*.

IX. LIABILITY

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, any subcontractor, or anyone employed by the Grantee.

(B) All liability as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the State in the performance of this Agreement is the responsibility of the State and not the responsibility of the Grantee if the liability is materially caused by any State employee or agent.

(C) In the event that liability arises as a result of activities conducted jointly by the Grantee and the State in fulfillment of their responsibilities under this Agreement, such liability is held by the Grantee and the State in relation to each party's responsibilities under these joint activities.

(D) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

X. CONFLICT OF INTEREST

No government employee or member of the legislative, judicial, or executive branches or member of the Grantee's governing body, its employees, partner, agencies or their families shall have benefit financially from any part of this Agreement.

XI. AUDIT AND ACCESS TO RECORDS

See Section XVIII (C).

XII. INSURANCE

(A) The Grantee shall maintain insurance or self insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement or from the actions of others for whom the Grantee may be held liable.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

- (B) The Grantee must comply with applicant workers' compensation laws while engaging in activities authorized under this Agreement.

XIII. OTHER SOURCES OF FUNDING

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement shall not be financed by any source other than the State under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings or to immediately refund to the State, the total amount representing such duplication of funding.

XIV. COMPENSATION

- (A) A breakdown of Project costs covered under this Agreement is identified in Exhibit A. The State will pay the Grantee a total amount not to exceed the amount on page one of this Agreement, in accordance with Exhibit A, and only for expenses incurred. All other costs over and above the Grant amount, necessary to complete the Project, are the sole responsibility of the Grantee.
- (B) The Grantee is committed to the match amount on page one of this Agreement, in accordance with Exhibit A. The Grantee shall expend all local match committed to the Project by the End Date of this Agreement.
- (C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.
- (D) The State reserves the right to request additional information necessary to substantiate payment requests.

XV. CLOSEOUT

- (A) A determination of Project completion shall be made by the DEQ after the Grantee has met any match obligations and satisfactorily completed the activities and provided products and deliverables described in Exhibit A.
- (B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.
- (C) The Grantee shall immediately refund to the State any payments or funds in excess of the costs allowed by this Agreement.

XVI. CANCELLATION

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, or other lack of funding upon request by Grantee or upon mutual agreement by the State and Grantee. The State reserves the right to provide just and equitable compensation to the Grantee for all satisfactory work completed under this Agreement.

XVII. TERMINATION

(A) This Agreement may also be terminated by the State for any of the following reasons upon 30 days written notice to the Grantee:

(1) If the Grantee fails to comply with the terms and conditions of the Agreement or with the requirements of the authorizing legislation cited on page 1 or the rules promulgated thereunder, or with other applicable law or rules.

(2) If the Grantee knowingly and willfully presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.

(3) If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.

(4) During the 30-day written notice period, the State shall also withhold payment for any findings under subparagraphs 1 through 3, above.

(5) If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.

(B) The State may immediately terminate this Agreement without further liability if the Grantee, or any agent of the Grantee, or any agent of any subagreement, is:

(1) Convicted of a criminal offense incident to the application for or performance of a state, public, or private contract or subcontract;

(2) Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;

(3) Convicted under state or federal antitrust statutes;

(4) Convicted of any other criminal offense which, in the sole discretion of the State, reflects on the Grantee's business integrity; or

(C) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

XVIII. PROGRAM-SPECIFIC REQUIREMENTS: SAW REPAYABLE GRANT

(A) General Representations. The Grantee represents and warrants to, and agrees with, the Authority and DEQ, as of the date hereof as follows:

(1) Grant funds shall be expended only to cover costs for the development of an Asset Management Plan, Stormwater Management Plan, innovative wastewater or stormwater technology, construction costs for disadvantaged communities, or for planning, design and user charge development.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

(2) Grant funds used for administrative activities or activities performed by municipal employees shall be limited to work that is directly related to the Project and is conducted by employees of the Grantee.

(3) The Grantee has full legal right, power and authority to execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Resolution, and any and all other agreements relating thereto. The Grantee has duly authorized and approved the execution and delivery of this Agreement, the performance by the Grantee of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(4) The Resolution has been duly adopted by the Grantee, acting through its executive(s) or governing body, is in full force and effect as of the date hereof, and is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(5) The execution and delivery of this Agreement by the Grantee, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Grantee a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Grantee is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Grant, or result in a default or lien on any assets of the Grantee. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Grantee under the Resolution or this Agreement.

(6) No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Grantee of the Resolution, or execution and delivery by the Grantee of this Agreement which has not already been obtained, nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

(7) Proceeds of the Grant will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution and Exhibit A or (ii) to reimburse the Grantee for a portion of the cost of the Project. The Grantee will expend the proceeds of each disbursement of the Grant for the governmental purpose for which the Grant was issued.

(8) The attached Exhibit A contains a summary of the estimated cost of the Project, which the Grantee certifies is a reasonable and accurate estimate.

(9) The Grantee reasonably expects (i) to fulfill all conditions set forth in this Agreement to receive and to keep the Grant, and (ii) that no event will occur as set forth in this Agreement which will require the Grantee to repay the Grant.

(B) Repayment of Grant. The Grantee shall repay the Grant, within 90 days of being informed to do so, with interest calculated from the date Grant funds are first drawn at a rate not to exceed 8% per year, to be determined by the Authority, to the Authority for deposit into the SWQIF.

"(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided."

SAW grant recipients for wastewater system asset management plans are required to make significant progress on the funding structure. Significant progress is defined as a 5-year plan to eliminated the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years. Asset management plans for stormwater systems are to be implemented. Stormwater management grant recipients must develop a stormwater management plan. Innovative project grant recipients must proceed with full implementation or certify that the project is not financially or technically feasible.

(C) Covenants and Certifications.

(1) The Grantee has the legal, managerial, institutional, and financial capability to plan, design, and build the Project, or cause the Project to be built, and cause all facilities eventually constructed to be adequately operated.

(2) The Grantee certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Grantee's ability to make timely repayments of the grant if any of the two (2) conditions identified under Section XVIII(B) occur.

(3) The Grantee agrees to provide the minimum appropriate local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.

(4) The Grantee agrees to maintain complete books and records relating to the grant and financial affairs of the Project in accordance with generally accepted accounting principles ("GAAP") and generally accepted government auditing standards ("GAGAS").

(5) The Grantee agrees that all municipal contracts related to the Project will provide that the contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.

(6) The Grantee agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the Project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners or agents with which the applicant negotiates an agreement.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

(7) The Grantee agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years after satisfactory completion of the Project and final payment. If litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.

(8) The Grantee agrees to ensure that planning and design activities of the Project are conducted in compliance with the requirements of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, its Administrative Rules; and all applicable state and federal laws, executive orders, regulations, policies, and procedures.

(9) The Grantee agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to satisfy the program requirements as identified under Section XVIII(B) within three years of award of the SAW Grant from the Strategic Water Quality Initiatives Fund in accordance with Section 5204(e) of the Natural Resources and Environmental Protection Act 1994, PA 451, as amended.

(10) The Grantee acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

(D) Grantee Reimbursements and Deliverables

The Grantee may request grant disbursements no more frequently than monthly, using the Disbursement Request Form provided by the DEQ. Upon receipt of a disbursement request, the DEQ will notify the Authority, which will in turn disburse grant funds equal to 75 percent, 90 percent, or 100 percent of eligible costs, whichever percentage is applicable, that have been adequately documented. The forms provided by the State will include instructions on their use and shall be submitted to the DEQ representative at the address on page 1. All required supporting documentation (invoices) for expenses must be included with the disbursement request form. The Grantee is responsible for the final submittal of all documents prepared under this Grant and included in the Project Scope identified in Exhibit A.

(E) Miscellaneous Provisions.

(1) Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan.

(2) Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

(3) Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

XIX. USE OF MATERIAL

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the DEQ funded all or a portion of its development.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

XX. SUBCONTRACTS

The State reserves the right to deny the use of any consultant, contractor, associate or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

XXI. ANTI-LOBBYING

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying' means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

XXII. IRAN SANCTIONS ACT

By signing this Agreement, the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses as outlined in Michigan Compiled Law 129.312

XXIII. DEBARMENT AND SUSPENSION

By signing this Agreement, the Grantee certifies to the best of its knowledge and belief that it, its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a 3-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

SAW Grant Program

Project No. _____

Exhibit A

Grantee: _____

Project Name: _____

DEQ Approved Grant Amount: \$ _____; _____
 _____ Dollars

Time Period for Eligible Costs: Start Date _____ (month/year)

End Date _____ (month/year)

Description of Approved Project Scope:

DEQ Approved Project Costs	
1. Project Planning Costs	
2. Design Engineering Costs	
3. User Charge Development Costs	
4. Wastewater Asset Management Plan Costs	
5. Stormwater Asset Management Plan Costs	
6. Stormwater Management Plan Costs	
7. Innovative Wastewater and Stormwater Technology Costs	
8. Disadvantaged Community Construction Cost	
9. Cost Subtotal	
10. LESS Local Match	
11. Requested SAW Grant Amount (Line 9 minus Line 10)	

The following services have been determined to be ineligible for SAW Grant assistance, for the reasons listed, and have been excluded from the approved project costs shown above:

APPENDIX A

Wastewater Planning and Design Activities

Note: User Charge Development Costs can be included in either a planning or design grant.

Planning Grant Requirements

Applicants intending to fund projects through USDA Rural Development are required to develop a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to develop a project proposal in accordance with the guidance below.

Applicants intending to fund projects through an SRF or SWQIF loan are required to develop a project plan in accordance with the Project Plan Preparation Guidance (http://www.michigan.gov/documents/deq/deq-ess-mfs-formsguidance-SRFppsguide_249032_7.dot).

Design Grant Requirements

All applicants are required to develop and submit plans and specifications suitable for bidding.

Applicants intending to fund projects through USDA Rural Development are required to submit a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to submit an approvable project proposal in accordance with the guidance below. If seeking a SAW loan, the project proposal should reference an asset management plan.

Applicants intending to fund projects through an SRF or SWQIF loan are required to submit an approvable Project Plan.

MEMORANDUM



TO: ROB HAYES, DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER
FROM: TIM KUHNS, WATER AND SEWER SENIOR ENGINEER **TDK**
SUBJECT: STORMWATER, ASSET MANAGEMENT, & WASTEWATER
(SAW) GRANT APPLICATION
DATE: OCTOBER 9, 2013

10/9/2013
To: Mayor and City
Council members
FYI. Clay

Background

On January 2nd, 2013, Public Act 562 was approved by the Governor and State Legislature. Public Act 562 authorized a portion of the Great Lakes Water Quality Bond, as approved by voters in 2002, to be deposited into the Strategic Water Quality Initiatives Fund for Stormwater, Asset Management, & Wastewater (SAW) programs. The SAW programs allow for \$450 million in grants and loan assistance for municipal water quality projects throughout the State of Michigan. \$97 million of the \$450 million grant and loan assistance is available to municipalities for fiscal year 2014. The grant funding under the SAW programs allows for a \$2 million cap per municipality with a 90% grant (with 10% local match) for the first million dollars, and a 75% grant (with 25% local match) for the second million dollar increment.

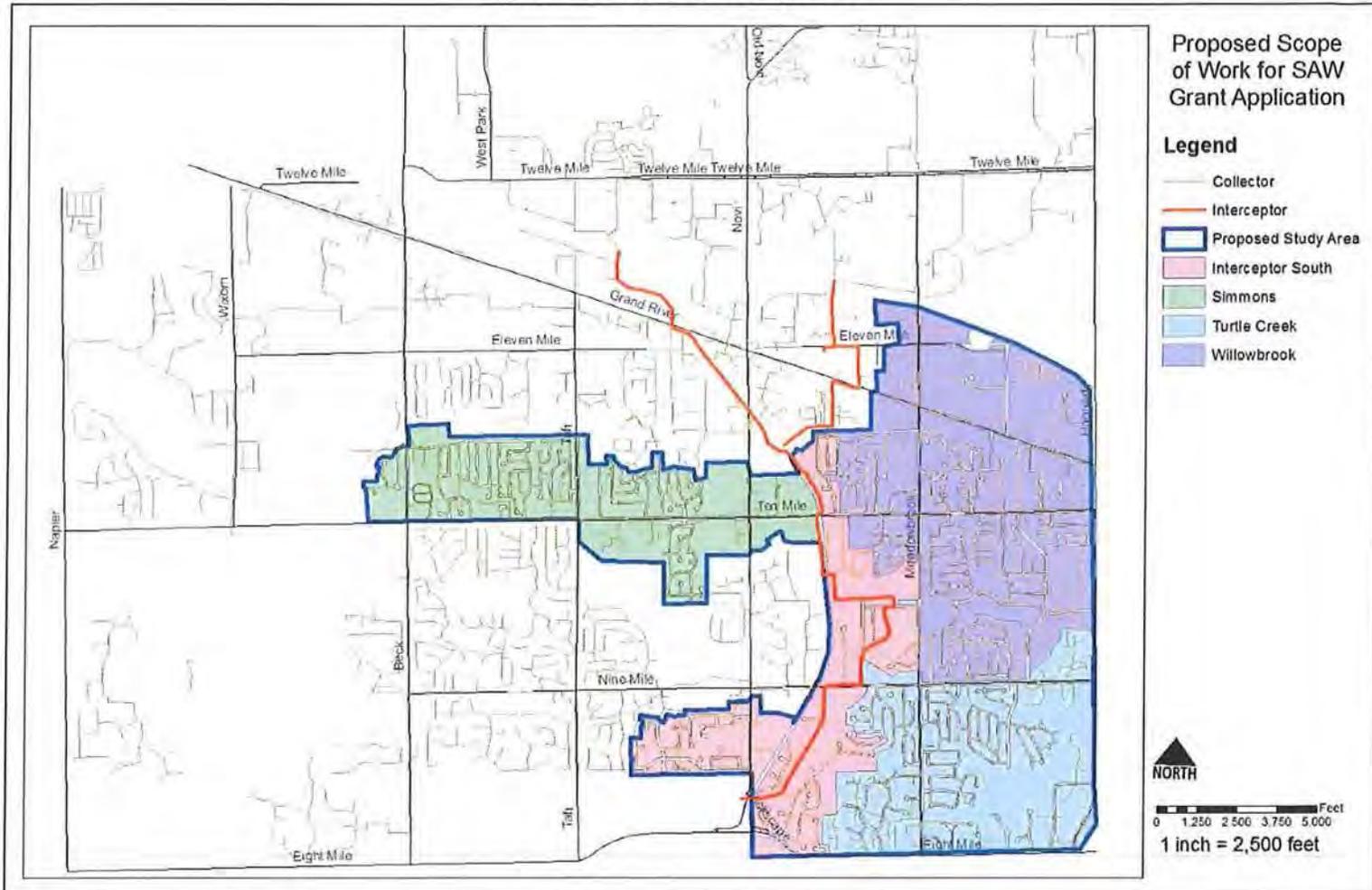
Proposed Scope of Work for Grant Application

The City of Novi Water and Sewer Division plans to submit a grant application for funding to perform Capacity Management, Operations, and Maintenance (CMOM) activities within four key districts within the sanitary collection system: Simmons District, Turtle Creek District, Willowbrook District, and Interceptor South District. Figure 1 depicts the proposed study area.

This study area was selected for several reasons:

- The proposed study area has the highest proportion of sewer backups City-wide. These backups are largely due to pipe blockages, root intrusions, and pipe failures. The CMOM activities proposed as part of this scope of work would allow for a complete inspection of the system to reduce the frequency of backups.
- The proposed study area has the highest proportion of pipe that is greater than 20-years in age. The older pipe in the system requires more frequent inspections as it was not installed with modern construction techniques.
- The proposed study area has the highest proportion of storm water (infiltration/inflow) that finds its way into the sanitary collection system.

Figure 1: Proposed Study Area



The proposed scope of work for the study area includes the following elements:

1. **System flow monitoring**

This task is proposed in order to evaluate the amount of storm water infiltration and inflow (I/I) in the system. The flow monitoring will allow City staff to evaluate the capacity of the system and will allow the City staff to evaluate the effectiveness of future system rehabilitation in removing I/I from the system.

2. **Manhole Inspections**

Manhole inspections are proposed in the study area to help identify failing or leaking manholes within the sewage collection system. The resulting inventory of manhole conditions will help City staff to identify future manhole rehabilitation projects to reduce the frequency of manhole failures.

3. **Pipe Inspections**

Pipe inspections are proposed in the study area to help identify pipe failures within the sewage collection system. As mentioned previously, pipe blockages

and failures are the leading cause of sewer backups in the system. The pipe conditions assessment performed in the study area will help City staff identify future pipe rehabilitation projects to reduce the frequency of pipe failures.

4. Project Proposal

SAW grant applications for planning activities are required to develop a project proposal as part of the scope of work. The project proposal provides summary level reporting of the findings from the system monitoring and inspection such that the planning activities can lead to future system rehabilitation construction.

5. Manhole Rehabilitation Design

Previous manhole inspections performed over the past five (5) years have identified manholes that are in need of rehabilitation. These manholes are contained within the Orchard Ridge, North Hills, and Timber Ridge neighborhoods of the City. As part of the grant project, design documents will be prepared for manhole rehabilitation within these neighborhoods.

6. Post-Rehabilitation Flow Monitoring

This task involves performing flow monitoring at the outlet sewers for the Orchard Ridge, North Hills, and Timber Ridge neighborhoods. The data collected as part of this task will be used in Task 7 to assess the effectiveness of manhole rehabilitation in removing I/I from the system.

7. Flow Analysis of Rehabilitation Effectiveness

This task involves performing comparisons of the pre- and post- rehabilitation flow meter data to evaluate the effectiveness of manhole rehabilitation in removing I/I from the system. The findings from this analysis will be summarized in a report and will be used as a guide in selecting future rehabilitation techniques.

The proposed scope of work is also outlined in the attached proposal provided by Orchard, Hiltz, and McCliment, one of our qualified engineering sub-consultants.

Proposed Budget for Grant Work

The proposed budget for the grant work is \$988,000 and is summarized below:

Task 1 – Flow Monitoring

A. Pre-rehabilitation flow monitoring with report	\$ 45,000
B. System-wide flow monitoring with analysis	\$ 50,000

Task 2 – Manhole Inspection

A. Manhole inspection	\$ 88,000
B. System-wide flow monitoring	\$ 25,000

Task 3 – Sewer Cleaning and Inspection

A. Coordinate with Contractor	\$ 5,000
B. Sewer cleaning and inspection work	\$ 640,000
C. Sewer data analysis	\$ 40,000

Task 4 – Project Proposal	\$ 15,000
Task 5 – Manhole Rehabilitation Design Work	\$ 30,000
Task 6 – Post-Rehabilitation Flow Monitoring	\$ 25,000
Task 7 – Flow Analysis of Rehabilitation Effectiveness	\$ <u>25,000</u>
	\$ 988,000

Submittal of the proposed budget is required for the grant application to provide an estimate of the total grant amount. If the grant is awarded to the City for this project, we will seek competitive fee proposals for engineering and inspection services, pursuant to City's purchasing policy, to establish a final project budget. It is important to note that the grants cover only for planning and design activities, and that construction work is not grant eligible. Also worthy of note is that if the City is awarded a grant, the MDEQ will require that the City issue a notice to proceed for a construction project relating to the planning grant activities within three years of the grant award. **All construction work would have to be paid out of the Water and Sewer Fund.**

It is also important to note that the Oakland County Water Resources Commissioner (OCWRC) is also submitting a separate grant application for asset management work within the Walled Lake – Novi (WL-N) portion of the system, which is currently operated and maintained by OCWRC. Since the City owns the WL-N collection system, the City will be the formal applicant for the WL-N grant application and grant dollars requested for this system will go towards the City's overall \$2 million cap. Current budget estimates indicate this project will be in the range of \$750,000. **This means the City's total grant application request will total approximately \$1,738,000, with a required local match of \$284,500 (10% on first million and 25% on second million).**

Proposed Schedule for Grant Work

The grant application for the proposed work will be accepted by the Michigan Department of Environmental Quality (MDEQ) on or after December 2nd, 2013. Because a large volume of SAW grant applications is expected, the MDEQ has established a selection process whereby any approvable and complete grant applications that are received by the MDEQ on or before December 2nd, 2013 will all be date-stamped with the same arrival date. These date-stamped applications will then be entered into a pool of applications and grant awardees will be selected by lottery. If we receive an award, grant monies will be available in April 2014.

Proposed Next Steps

In order to meet the grant application deadline, the following steps and key milestones are proposed:

- Provide a **presentation at the October 28th City Council meeting** regarding the proposed grant application and scope of work.

- Adopt a formal resolution in support of the grant application at the October 28th City Council meeting. The formal resolution is required as part of the grant application and a draft resolution is provided as an attachment to this document.
- Submit final grant application to the MDEQ on or before December 2nd, 2013. A copy of the final grant application is provided as an attachment to this document.

Please let me know if you have any question or comments regarding this report.

cc: Michael Andrews, Water & Sewer Financial Specialist
Scott Roselle, Water & Sewer Asset Manager



City of Novi Sanitary Planning and Design Scope of Work

Project Need

Since 2009, the City of Novi has experienced 117 sanitary sewer backups. These backups were caused by roots, grease, pipe collapses, and other blockages and many resulted in basement flooding and sanitary sewer overflows. Fifty percent (50%) of the sewer backups occurred in the proposed study area. However, this area only comprises twenty-five percent (25%) of the NHVRV collection system; thereby, resulting in a high concentration of backups in this area. The City of Novi has a complaint record which tracks these events. See Figure 1 for location of sewer backups.

In addition to the sewer backups, the City also experiences significant wet weather events. The City operates a Capacity, Management, Operations and Maintenance (CMOM) program that enables the City to effectively manage their sanitary collection system and identify areas of inflow and infiltration. The CMOM program includes:

- 1) continuous monitoring of initial flows that allows for identification of priority sub-districts
- 2) Sanitary Sewer Evaluation Surveys (SSES) in the priority high flow sub-districts
- 3) rehabilitation of SSES priority sub-districts
- 4) follow up monitoring that measures the success of rehabilitation efforts

The priority high flow sub-districts were identified and established as Simmons, Interceptor South, Willowbrook, and Turtle Creek. The sub-districts contain the oldest parts of the overall sewer system (> 20 years old) and also have the highest wet weather flows in the system. Portions of pipe and manholes have been inspected and rehabilitated as shown in Table 1 below; however, additional work is necessary.

Table 1: Summary of Inspection and Rehabilitation Activities within Priority Areas

Total Pipe:	431,844
Pipe Inspected:	112,371
% Pipe Inspected:	26.0%
Pipe Rehabilitated:	17,460
% Pipe Rehabilitated:	4.0%
Total Manholes:	1,976
Manhole Inspected:	551
% Manholes Inspected:	27.9%
Manholes Rehabilitated:	122
% Manholes Rehabilitated:	6.2%



The City is also covered under the Wayne County Administrative Consent Order (ACO). This ACO requires the City to inspect 20% of their collection system on an annual basis.

Proposed Scope of Work

The City is interested in applying for both planning and design grants for improvements to the sanitary sewer system. Tasks 1-4 are related to the planning grant and tasks 5 -7 are related to the design grant.

Since additional rehabilitation efforts are needed in the priority sub-districts in order to establish a more effective sanitary collection system, the tasks can be summarized as shown below:

Planning Grant Tasks

1. Flow monitoring and analysis (pre-rehabilitation and system-wide)
2. Manhole inspection using MACP
3. Sanitary sewer inspection using PACP
4. Development of a Project Proposal

Design Grant Tasks

5. Manhole rehabilitation design
6. Post-rehabilitation flow monitoring
7. Flow analysis

Planning Grant

Task 1 – Flow Monitoring

Flow meters are proposed to be installed at eight locations within the City of Novi (see Figure 2). Two of the meters will be used to determine the amount of I/I entering the sanitary sewer system prior to manhole rehabilitation. Six meters will be used to reaffirm the capacity of the system from past rehabilitation efforts. Each monitoring period will be six months in duration with by-weekly inspections/downloads. A pre-rehabilitation flow metering report will be prepared for Orchard Ridge and the North Hills/Timber Ridge Subdivisions. The monitoring data provided by the system-wide flow monitoring will be utilized in updating the capacity analysis of the sanitary collection system.

- A. Pre-rehabilitation monitoring
 - a. Outlet of Orchard Ridge
 - b. Outlet of North Hills/Timber Ridge
 - B. System-wide flow monitoring
 - a. Trans-X (Hudson)
 - b. Chattman (Willowbrook)
 - c. 9 Mile & Ennishore (Turtle Creek)
 - d. 9 Mile and CSX (9 Mile)
-



- e. 10 Mile and CSX (Simmons)
- f. Novi Road and CSX (Eleven Mile/Lanny's/West Oaks/Huskey Consolidated)

Task 2 – Manhole Inspection with MACP

Of the 2,023 manholes in the priority sub-districts, 1,470 remain to be inspected utilizing MACP technology and certified MACP personnel (see Figure 3). Once the inspection is completed, the MACP coding will be processed to determine manholes with excessive I/I leading to water quality concerns and/or manholes that are structurally deficient. The results will then be used to select manholes for rehabilitation. Based on the codes and review of inspection video, various rehabilitation methods will be recommended and a cost for that rehabilitation will be estimated.

- A. Manhole inspection with MACP in priority sub-districts
- B. Manhole data analysis

Task 3 – Sewer Cleaning and CCTV Work with PACP

Twenty-six percent (26%) of the sewers within the priority sub-districts has been previously cleaned and televised. Three hundred twenty thousand lineal feet (320,000 LF) remain to be CCTV'd and cleaned by a certified PACP contractor. Figure 4 shows the location of the sanitary sewers that are proposed to be cleaned and televised. Figure 5 displays the age of the sewers in the study area. As can be seen on Figure 5, these sewers are 20 years old or greater.

Once the inspection is completed, the PACP coding will be processed to determine sanitary sewers with excessive I/I leading to water quality concerns and/or sewers that are structurally deficient. The results will then be used to select sewers for future rehabilitation. Based on the codes and review of inspection video, various rehabilitation methods will be recommended and a cost for that rehabilitation will be estimated.

- A. Coordinate with PACP Contractor
- B. Sewer Cleaning and CCTV Work with PACP in priority sub-districts
- C. Sewer data analysis

Task 4 – Project Proposal

A Project Proposal will be developed that incorporates the findings from the planning tasks. The Project Proposal will include the requirements described in the SAW grant application. These requirements include:

1. Study area identification and description
 2. Description of existing facilities
 3. Project need
 4. Description of project options considered
 5. Proposed project
 6. Evaluation of environmental impacts.
-



Specifically for the City, the Project Proposal will document locations where rehabilitation or replacement of manholes and sanitary sewers is necessary based on the results of the MACP and PACP inspection. Various repair methods will be evaluated and the environmental impacts, if any, will be noted.

Design Grant for Manhole Rehabilitation

The City has previously inspected manholes in the Timber Ridge/North Hills and Orchard Ridge subdivisions. Figure 6 shows the location of where the manhole rehabilitation design work will occur. A Project Proposal justifying the project has been submitted with this grant application. The design tasks are further described below:

Task 5 – Manhole Rehabilitation Design Work

Manholes which have been determined to be cost effective to rehabilitate will be included in the design of a manhole rehabilitation project. A contract book with technical specifications, maps, bidding materials and engineer's opinion of probable cost will be prepared in order to obtain a competitive bid from contractors.

- A. Manhole Rehabilitation Design Work
 - a. Orchard Ridge
 - b. North Hills/Timber Ridge

Task 6 – Post-Rehabilitation Flow Monitoring

After the rehabilitation work has occurred, the post-rehabilitation flow monitoring period begins. The location of the meters is shown on Figure 7. This step provides data that is critical in assessing the effectiveness of the manhole rehabilitation. Monitoring will occur for six months on the same two meters that were in the Pre-Rehabilitation Monitoring phase. By-weekly inspections/downloads will be provided.

- A. Post-rehabilitation Monitoring
 - a. Outlet of Orchard Ridge
 - b. Outlet of North Hills/Timber Ridge

Task 7 – Flow Analysis

The data that was collected in the Post-Rehabilitation Flow Monitoring phase will be analyzed and a final determination made on the effectiveness of the manhole rehabilitation.

- A. Effectiveness of Manhole Rehabilitation
-



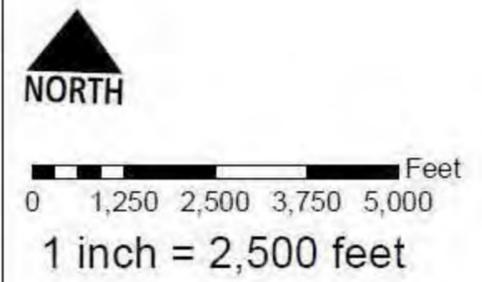
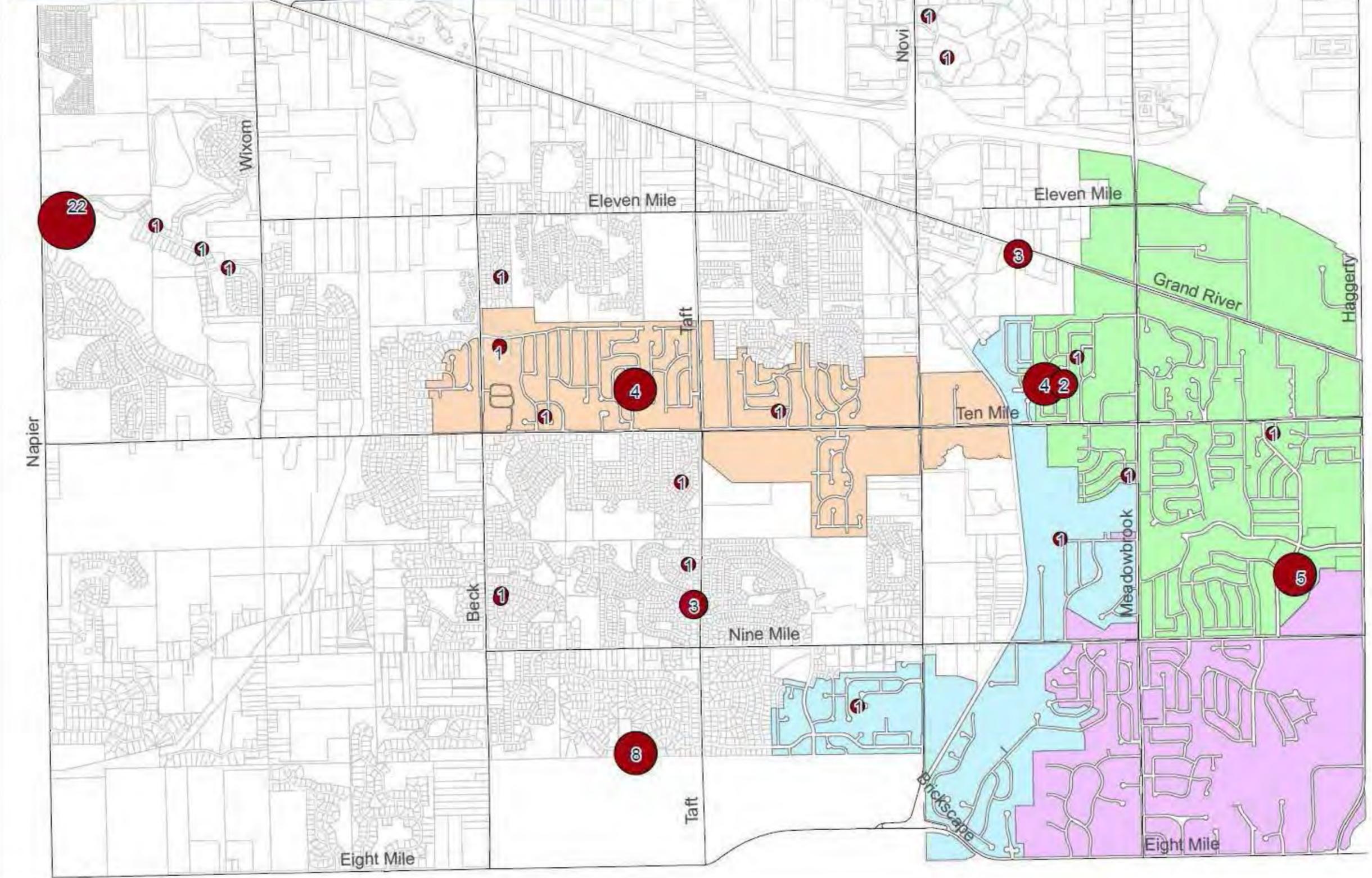
Budget

Task 1 – Flow Monitoring	
A. Pre-rehabilitation flow monitoring with report	\$ 45,000
B. System-wide flow monitoring with analysis	\$ 50,000
Task 2 – Manhole Inspection with MACP	
A. Manhole inspection with MACP	\$ 88,000
B. System-wide flow monitoring	\$ 25,000
Task 3 – Sewer Cleaning and CCTV Work with PACP	
A. Coordinate with PACP Contractor	\$ 5,000
B. Sewer cleaning and CCTV Work	\$640,000
C. Sewer data analysis	\$ 40,000
Task 4 – Project Proposal	\$ 15,000
Task 5 – Manhole Rehabilitation Design Work	
A. Manhole Rehabilitation Design	\$ 30,000
Task 6 – Post-Rehabilitation Flow Monitoring	
A. Pre-rehabilitation flow monitoring	\$ 25,000
Task 7 – Flow Analysis	
A. Effectiveness of manhole rehabilitation report	<u>\$ 25,000</u>
	\$988,000

Summary of Backups For All Incidents		
Backups within Study Area	23	32.4%
Backups outside of Study Area	48	67.6%
Total	71	100.0%

Summary of Backups For Incidents Relating to Sewer Blockages (Roots, Grease, Other Blockages)		
Backups within Study Area	23	50.0%
Backups outside of Study Area	23	50.0%
Total	46	100.0%

Figure 1:
Sewer Backup
Incidents Since 2009
City of Novi



Continued Metering

1. Outfalls for major meter districts
2. Outfalls for rehab areas (pre-rehab metering)

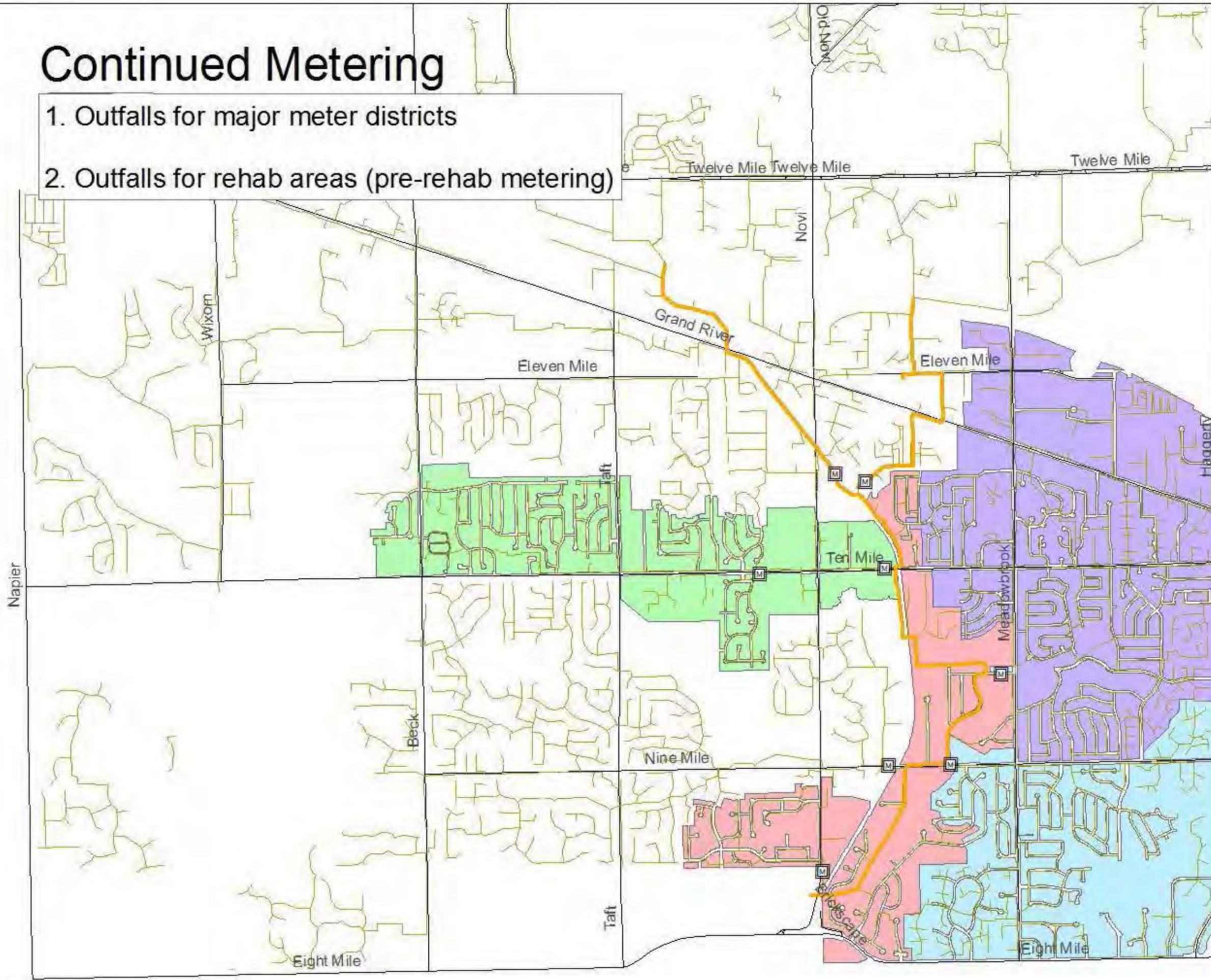


Figure 2:
Proposed Scope
of Work for SAW
Grant Application
City of Novi, MI

- Legend**
- Meter Location**
M Meter Location
- Sanitary Gravity Main**
 <all other values>
 Collector
 Interceptor
- Proposed Study Area**
 Interceptor South
 Simmons
 Turtle Creek
 Willowbrook

▲
NORTH

0 1,250 2,500 3,750 5,000 Feet
1 inch = 2,500 feet

Manhole Inspections

1. 553 manhole inspections already complete
2. 1470 manhole inspections to be completed

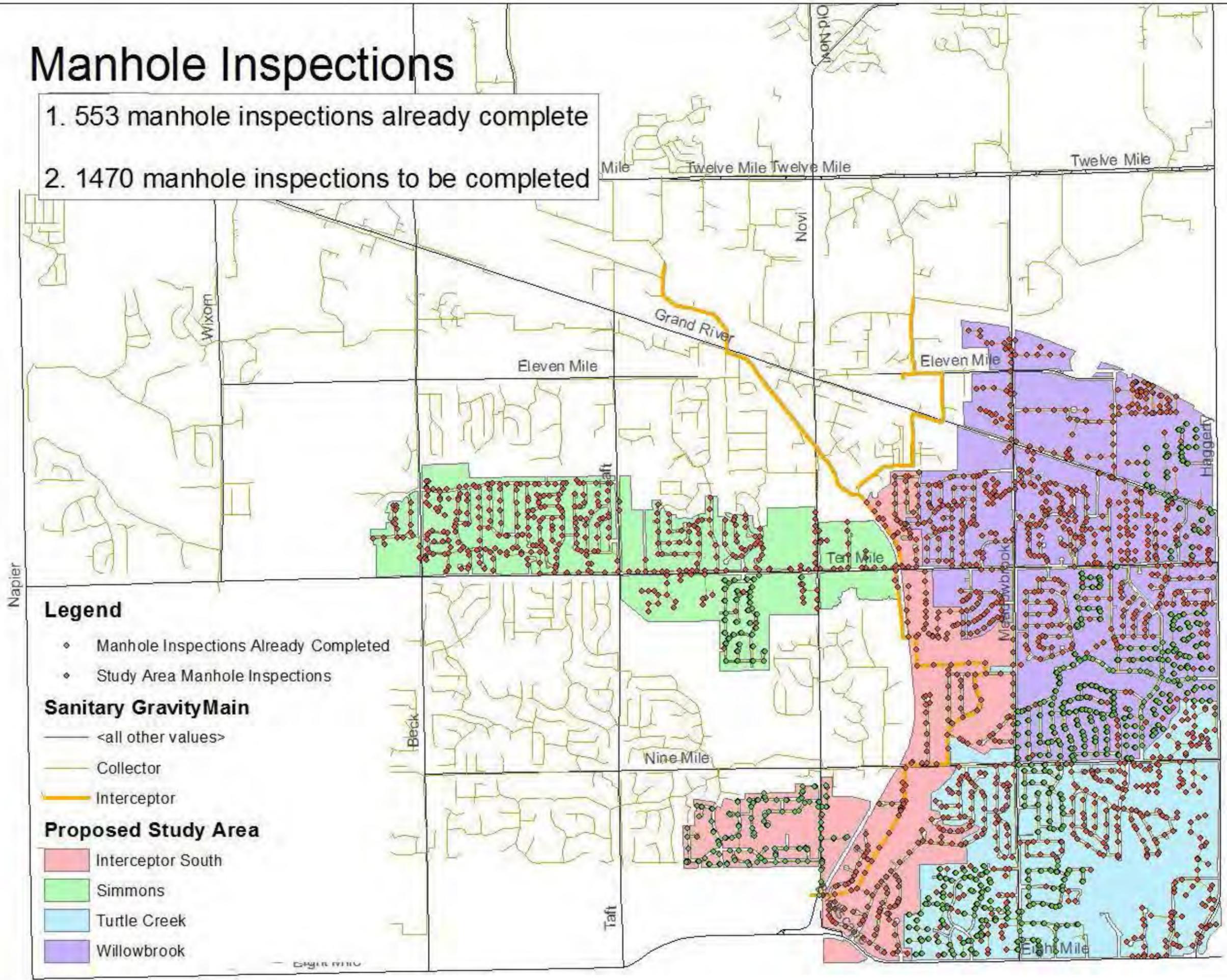
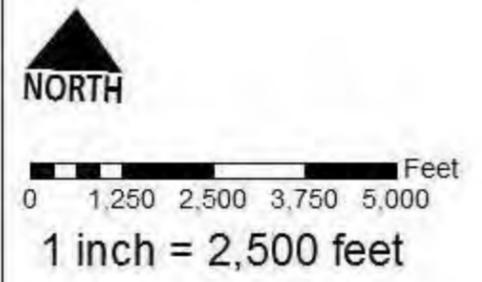


Figure 3:
Proposed Scope
of Work for SAW
Grant Application
City of Novi



Sewer Cleaning & Televising

1. 461,000 LF of piping in the study area
2. 320,000 LF of piping grant eligible for cleaning and televising

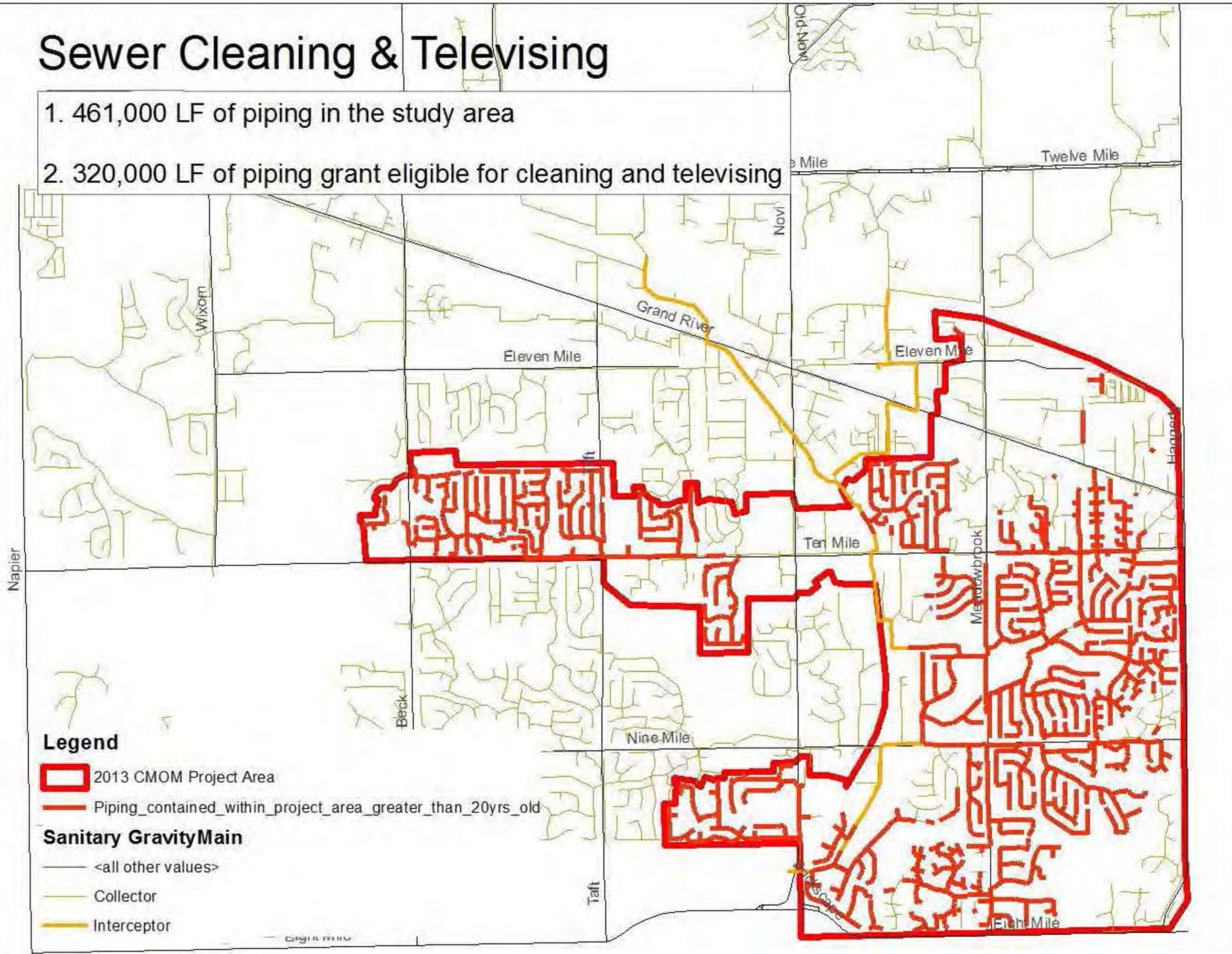


Figure 4:
Proposed Scope
of Work for SAW
Grant Application
City of Novi

Legend

- 2013 CMOM Project Area
- Piping contained within project area greater than 20yrs old

Sanitary Gravity Main

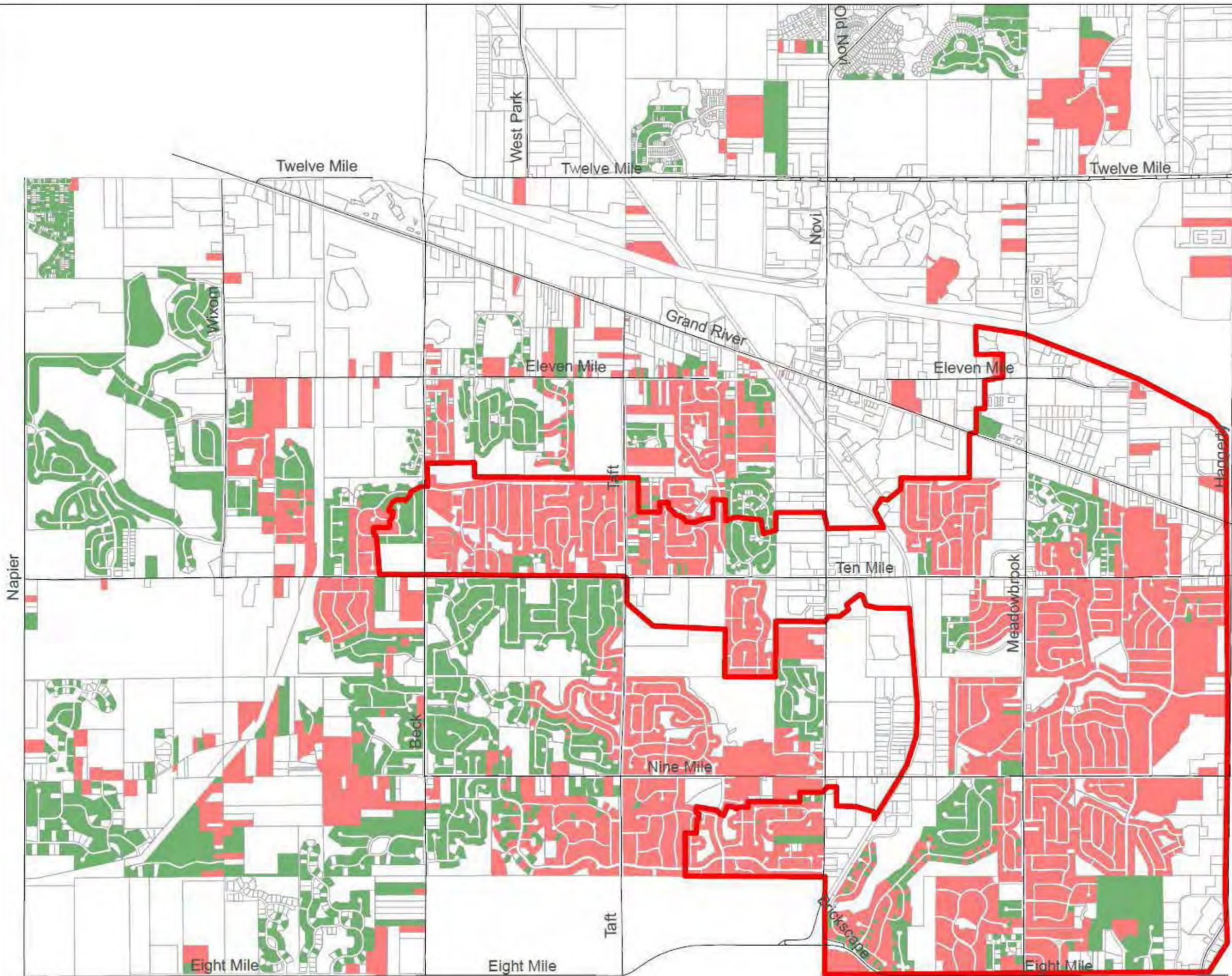
- <all other values>
- Collector
- Interceptor



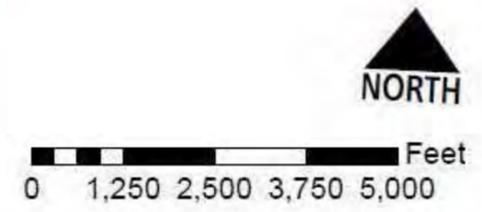
0 1,250 2,500 3,750 5,000 Feet

1 inch = 2,500 feet

Figure 5:
Pipe Age in Proposed
Study Area
City of Novi



- Legend**
- Proposed Study Area
 - => 20 yrs old
 - < 20 years old



1 inch = 2,500 feet

Manhole Rehab Design

1. 95 Manholes in Timber Ridge/North Hills
2. 38 Manholes in Orchard Ridge

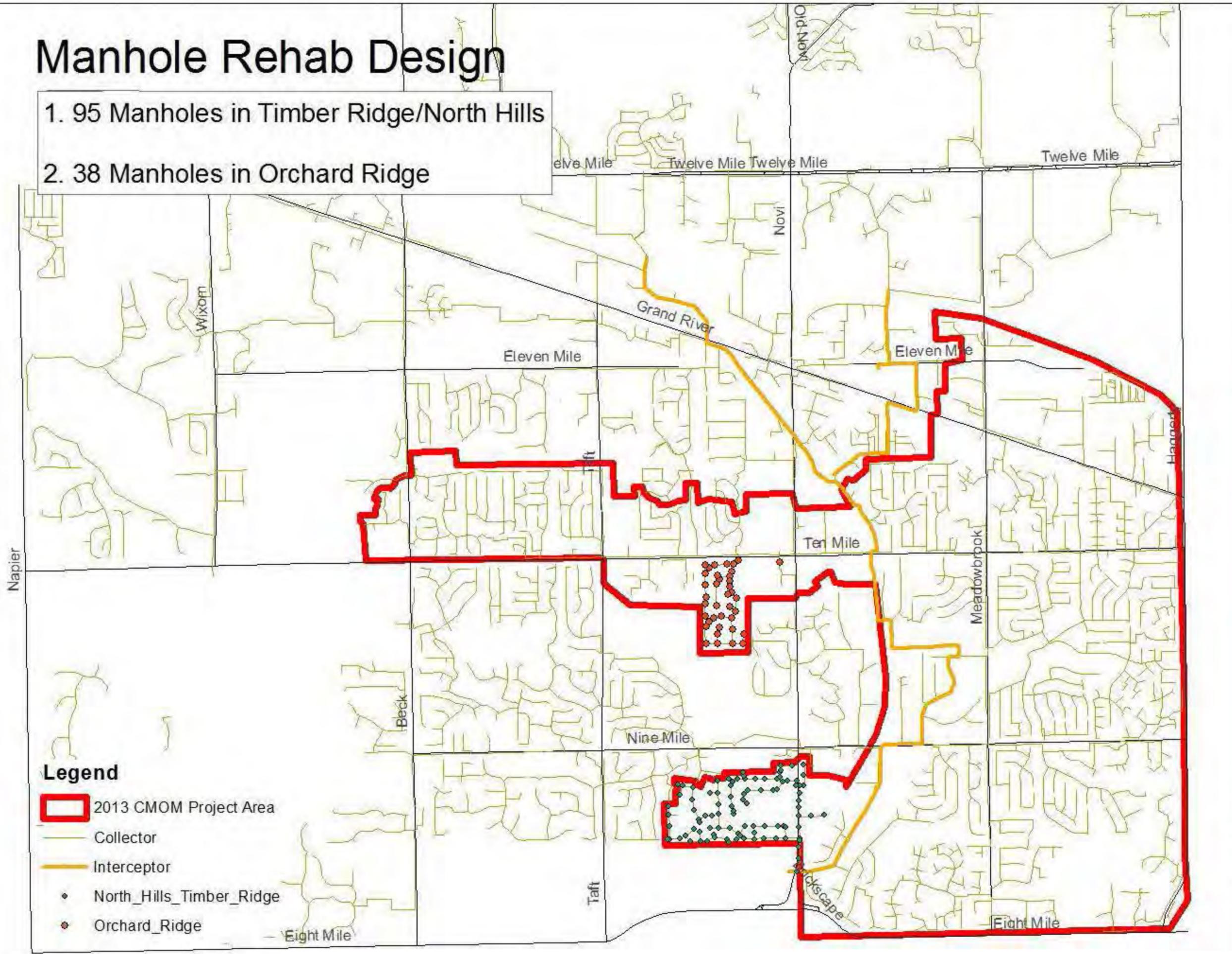


Figure 6:
Proposed Scope
of Work for SAW
Grant Application
City of Novi

Post-Rehab Metering

At Outfalls for rehab areas

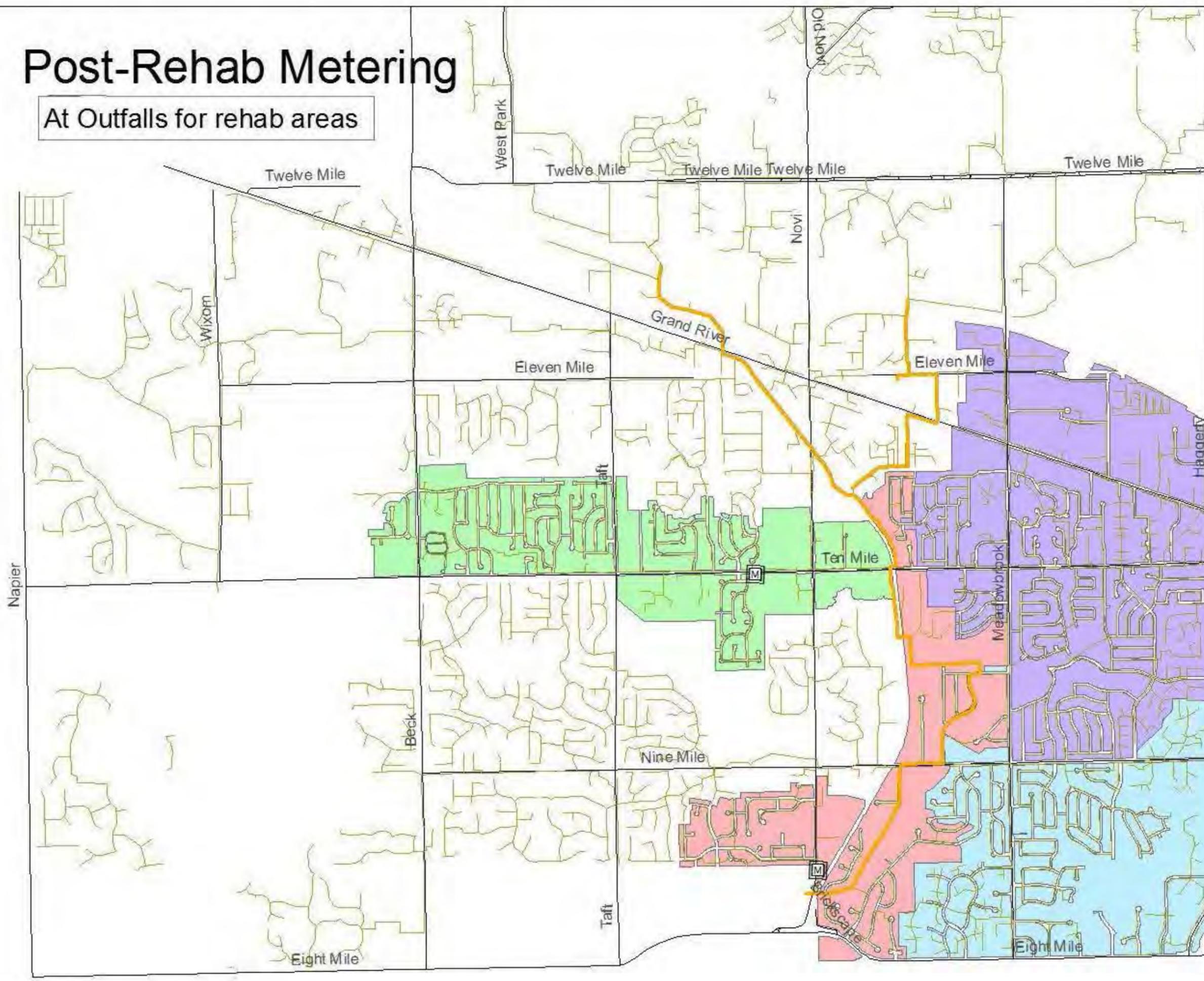


Figure 7:
Proposed Scope
of Work for SAW
Grant Application
City of Novi

Legend

Meter Location

Meter Location

Sanitary Gravity Main

<all other values>

Collector

Interceptor

Proposed Study Area

Interceptor South

Simmons

Turtle Creek

Willowbrook



0 1,250 2,500 3,750 5,000 Feet

1 inch = 2,500 feet

SAW GRANT APPLICATION

Rick Snyder, Governor

Michigan Department of Environmental Quality (DEQ)

Dan Wyant, Director

<http://www.michigan.gov/deq>

Michigan Department of Treasury Michigan Finance Authority (Authority)

Andy Dillon, State Treasurer

<http://www.michigan.gov/treasury>

Administered by:

Department of Environmental Quality
Office of Drinking Water and Municipal Assistance
Revolving Loan Section
Sonya T. Butler, Chief

Department of Treasury
Michigan Finance Authority
Joseph Fielek, Executive Director

Mailing Addresses:

PO Box 30241
Lansing, Michigan 48909
517-284-5433

PO Box 15128
Lansing, Michigan 48901
517-335-0994

Delivery Addresses:

Constitution Hall
4th Floor South
525 West Allegan Street
Lansing, Michigan 48933

Richard H. Austin Building
1st Floor
430 West Allegan Street
Lansing, Michigan 48922

**Completion of this application is mandatory for the applicant
to be considered for SAW Grant Program assistance.**

Printed under the authority of Parts 52 and 53, of the Natural Resources and Environmental Protection Act,
1994 PA 451, as amended.

October 8, 2013

SAW Grant Application Instructions

Project information: This portion of the grant application needs to be completed and returned with one or more of the grant activities noted in the appendices below.

Authorizing Resolution: The resolution must be signed and dated. Submit the resolution with the project information noted above.

Sample Grant Agreement: A sample of the grant agreement must accompany the resolution.

Appendices: Provide complete information as noted in the Appendix that corresponds to the proposed project. Each Appendix contains guidance on eligibility and general information related to the grant activity.

- Appendix A: Wastewater Planning, Design and User Charge Activities
- Appendix B: Planning and/or Design of Stormwater and/or Nonpoint Source of Water Pollution
- Appendix C: Asset Management Plan for Stormwater and Wastewater
- Appendix D: Stormwater Management Plan
- Appendix E: SAW Innovative Wastewater and Stormwater Technology
- Appendix F: Disadvantaged Community Status Determination Worksheet

Appendix C and Appendix E will require a separate certification within 3 years of the grant award confirming that grant activities have been completed. The certification forms can be found at: www.michigan.gov/cleanwaterrevolvingfund (select Forms and Guidance).

A hard copy of the grant application must be submitted to the DEQ. Grant applications may be submitted at any time beginning December 2, 2013. Grant awards will be issued quarterly based on the date an application is administratively complete, until available SAW funding had been exhausted.

PROJECT INFORMATION

Project Name and County _____

A. Legal Name of Applicant _____

The legal name of the applicant may be different from the name of the project. For example, a county may be the legal applicant, while the project may be named for the particular village or township it will serve.

If applicant is not a City/County/Township/Village, provide Authorizing Statute to qualify as a municipality. _____

B. Mailing Address of Applicant

Street, P.O. Box _____

City, State & Zip _____

County(s) project is located in _____

(Area Code and Telephone Number)

C. Designated Contacts for this Project

1. Authorized Representative (Name below must match the person named in the resolution)

Name _____

Title _____

Street, P.O. Box _____

City, State & Zip _____

(Area Code and Telephone Number)

(E-mail Address)

2. Applicant's Financial Advisor

Name _____

Firm _____

Street, P.O. Box _____

City, State & Zip _____

(Area Code and Telephone Number)

(E-mail Address)

3. Applicant's Consulting Engineer (if applicable)

Name _____

Firm _____

Street, P.O. Box _____

City, State & Zip _____

(Area Code and Telephone Number)

(E-mail Address)

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

4. Primary Contact (if different than authorized representative)

Name _____ Title _____

(Area Code and Telephone Number)

(E-mail Address)

D. Disclosure of Conditions Requiring Repayment of Grant

The intent of the SAW Grant Program is to accelerate the statewide use of asset management planning practices as well as improve water quality. It is expected that SAW grant wastewater or stormwater recipients will implement the necessary construction for which grant funding was provided for any planning, design, and/or user charge grants. SAW grant recipients for wastewater system asset management plans are required to make significant progress (as defined in Appendix C) on the funding structure. Stormwater Asset Management Plan (AMP) recipients are required to implement the plan (as defined in Appendix C). Stormwater management grant recipients must develop a stormwater management plan. An innovative technology grant recipient must proceed with the project if testing and demonstration show that the water quality issue may be successfully and feasibly addressed with full scale implementation. Consistent with this intent and provisions of Part 52 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended:

“(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided.”

E. Project Need and Proposed Scope of Work

In order to improve water quality, the applicant can seek SAW Grant Program assistance to cover the costs of: 1) planning, design, and/or user charge of a wastewater or stormwater system; 2) asset management for a wastewater and/or stormwater system; 3) a stormwater management plan; and 4) innovative wastewater and stormwater technologies. Details for establishing project need for each of these categories can be found in the appendices.

Describe the specific activities you will fund with SAW grant assistance. Describe the system deficiencies and/or water quality problems you want to evaluate/address: **(Attach additional pages as necessary.)**

F. Ownership of System Facilities or Assets

Is the legal entity that owns the system facilities or assets described in the proposed scope of work the same as the legal name of the applicant (see Item A)? YES NO

If NO, has the applicant obtained the necessary legal documentation delegating the applicant as an agent of the owner who has the authority for implementing the activities associated with the proposed scope of work at the direction of the owner? (Certification of this legal relationship must be provided prior to the applicant receiving SAW grant assistance. The applicant must have the authority to establish a rate structure necessary to demonstrate significant progress with implementing a wastewater asset management plan if applicable. Note that a rate structure is not required for a stormwater asset management grant.) YES NO

G. Funding Source for Associated Construction (if applicable)

If the proposed scope of work for SAW grant assistance will result in subsequent construction, then identify the anticipated funding source(s) for the construction.

SAW SRF SWQIF Rural Development Other (explain) _____

The applicant intends to seek SAW, SRF, and/or SWQIF loan(s) to construct the proposed project in fiscal year _____ (an October 1st to September 30th fiscal year).

If construction financing is anticipated to come from a source other than SAW, SRF and/or SWQIF, identify the proposed construction year(s): _____.

H. SAW Grant Agreement Period

Start date of grant-funded tasks: _____ (month/year). May include services rendered on or after January 2, 2013, the effective date of the SAW program legislation.

Estimated date for completion of **all** grant-funded tasks: _____ (month/year). Must be completed within 3 years of executed grant.

I. Does this project have an associated SRF/SWQIF loan or S2 grant(s)? If so, indicate the project number(s) below:

S2 Grant Project # _____ **SRF Loan Project #** _____ **SWQIF Loan Project #** _____

J. Is the applicant in receivership? YES NO

Is the applicant operating under an emergency manager or an emergency financial manager appointed under state law? YES NO

Is the applicant operating under a consent agreement as provided under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291?
 YES NO

If a disadvantaged community status determination is being requested, then complete and submit the worksheet in Appendix F. Communities considered disadvantaged by the DEQ can be awarded up to \$500,000 in grant funds to construct projects identified in an asset management plan.

K. Project Cost Worksheet

Read the instructions below before completing the Project Cost Worksheet.

Grant Budget Item	Incurred Project Costs A	Estimated Project Costs B	Cost Supporting Documents Attached?	Total Project Costs A+B
1. Project Planning Costs			<input type="checkbox"/> YES	
2. Design Engineering Costs			<input type="checkbox"/> YES	
3. User Charge System Development Costs			<input type="checkbox"/> YES	
4. Wastewater Asset Management Plan Costs			<input type="checkbox"/> YES	
5. Stormwater Asset Management Plan Costs			<input type="checkbox"/> YES	
6. Stormwater Management Plan Costs			<input type="checkbox"/> YES	
7. Innovative Wastewater and Stormwater Technology Costs			<input type="checkbox"/> YES	
8. Disadvantaged Community Construction Cost			<input type="checkbox"/> YES	
9. Cost Subtotal				
10. LESS Local Match				
11. Requested SAW Grant Amount (Line 9 minus Line 10)				

1. Entering Cost Figures

To complete the Project Cost Worksheet, enter costs incurred to date in the first column and estimated costs in the second column. **Use whole dollar amounts for all entries.** A budget line item may have costs entered in each column; however, the entries must accurately reflect the division between incurred costs and estimated (i.e., the costs in the second column must not be a cumulative total but are to represent the balance of costs not yet incurred).

2. Supporting Documentation

Documentation must be attached to your application to support the costs included on the Project Cost Worksheet: Validate by checking the box in the third column on each requested line item.

- For incurred costs, adequate supporting documentation means executed contract; an invoice; proof of billing or payment for each cost for which grant assistance is being sought (e.g., copies of the monthly invoices from your consulting engineer, timesheet/payroll records showing hours worked and work performed).
- For estimated costs, adequate supporting documentation means an engineer's estimate; a letter, or email from a vendor detailing the services to be rendered and their costs; or a ledger of anticipated billable force account hours, employee rates, and classifications.

3. Executed Contracts (required for reimbursement, not required for grant application)

A contract between the applicant and the vendor must be executed for each service that has been or is to be rendered if the cost of such service is greater than \$50,000. An executed

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

copy of each contract, with a clear identification of the scope of the service(s) and a contract period, must be submitted prior to reimbursements of costs.

4. Line-By-Line Completion Guidance

In addition to the costs described below, costs eligible for SAW grant assistance include: those incurred for services rendered on or after January 2, 2013; for services to prepare this grant application; and for activities performed by the applicant's employees that are directly related to the project. These incurred costs or cost estimates should be placed under the applicable budget lines.

Line 1 – Project Planning Costs

The costs associated with project planning activities and preparation of required planning documents. Refer to Appendix A or B.

Line 2 – Design Engineering Costs

The costs associated with engineering design and preparation of design required documents. Bidding phase services, including construction staking, are not eligible for SAW grant assistance. Refer to Appendix A or B.

Line 3 – User Charge System Development Costs

The costs associated with developing or updating the applicant's system of rates and user charges to cover the costs of project construction, operation, and maintenance as part of a planning or design grant. The costs to develop, amend, and pass sewer use ordinances, and prepare or revise intermunicipal service agreements necessary for construction of the proposed project are also eligible for reimbursement. Refer to Appendix A or B.

Line 4 – Wastewater Asset Management Plan Costs

The costs associated with developing a wastewater asset management plan. Only those components addressing wastewater assets are eligible (e.g., costs associated with conducting an asset inventory of other utilities cannot be included). Refer to Appendix C.

Line 5 – Stormwater Asset Management Plan Costs

The costs associated with the development of a stormwater asset management plan. SAW grant assistance is available for the development of an asset management plan for both open and enclosed storm sewer systems. Open drainage systems that are deemed surface waters of the state are not eligible for assistance to develop a stormwater asset management plan. Refer to Appendix C.

Line 6 – Stormwater Management Plan Costs

The costs associated with the development of a stormwater management plan. SAW grant assistance is available for the development of plans intended to address water quality problems from MS4 permitted stormwater systems and unpermitted stormwater runoff and nonpoint sources of pollution. Refer to the Stormwater Management Plan guidance and Appendix D for information on eligible plans and planning activities.

Line 7 – Innovative Wastewater and Stormwater Technology Costs

The costs associated with testing and demonstrating the practical use of technology to address a water quality issue. The cost of the technology is not eligible for SAW grant assistance. Refer to Appendix E.

Line 8 – Disadvantaged Community Construction Cost

The construction costs associated with a project identified in an asset management plan. The costs cannot exceed \$500,000. This is only available to communities identified as “disadvantaged.” See Appendix F.

Line 10 – Required Local Match

SAW grant assistance is limited to \$2 million per community with a 10-percent local match for the first million and a 25-percent local match for the second million. Applicants who responded “Yes” to any of the questions under Section J of this application or whose community status is determined as disadvantaged by the DEQ are not required to provide a local match.

L. Covenants and Certifications

The applicant must abide by all of the covenants and certifications enumerated below:

1. The applicant has the legal, managerial, institutional, and financial capability to plan, design, and build the project, or cause the project to be built, and cause all facilities eventually constructed to be adequately operated.
2. The applicant certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the project, the prospects for its completion, or the applicant's ability to make timely repayments of the grant if the project does not proceed.
3. The applicant agrees to provide the local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.
4. The applicant agrees to maintain complete books and records relating to the grant and financial affairs of the project in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS).
5. The applicant agrees that all municipal contracts related to the project will provide that the prime contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.
6. The applicant agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners, or agents with which the applicant negotiates an agreement.
7. The applicant agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years and that if litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.
8. The applicant agrees to ensure that planning and design activities of the project are conducted in compliance with the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended; its Administrative Rules; and all applicable state laws, executive orders, regulations, policies, and procedures.
9. The applicant acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

I certify that I am the authorized representative designated by the municipality, as defined by Section 324.5301(i) of Part 53 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, that will receive the grant for this project and that the application information being submitted is complete and accurate to the best of my knowledge.

I further certify that _____ (*legal name of applicant*) agrees to and will abide by the covenants and certifications stipulated above.

Name and Title of Authorized Representative (*Please Print or Type*)

Signature of Authorized Representative (*Original Signature Required*)

Date

Required Documents

The following documents must be submitted with this application. This grant application will be deemed incomplete if the required documents are not attached.

- (1) Authorizing Resolution. An adopted and certified copy of the attached standard resolution, **including the SAW Grant Agreement boilerplate marked SAMPLE**, must be attached.
- (2) Application Information. The proposed scope of work must be supported by the additional information required under Section E on page 3.
- (3) Cost Support Documentation. All requested costs must be supported with documentation consistent with the instructions on pages 5-7.
- (4) All of the required information listed in each of the applicable appendices must be provided.

Please return the application and the specified attachments to:

REVOLVING LOAN SECTION
OFFICE OF DRINKING WATER AND MUNICIPAL ASSISTANCE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

MAILING ADDRESS
P.O. BOX 30241
LANSING MI 48909-7741

SURFACE DELIVERY ADDRESS
CONSTITUTION HALL, 4TH FLOOR SOUTH
525 W ALLEGANS ST
LANSING MI 48933

Grant Application Received By:	Can Expect A Grant Award In:*
July 1	October
October 1	January
January 1	April
April 1	July

*A hard copy of the grant application must be submitted to the DEQ. Grant application may be submitted at any time beginning December 2, 2013. Grant awards will be issued quarterly based upon the date an application is administratively complete, until available SAW funding has been exhausted.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

**Please Use the Attached Resolution “As Is”
(Do Not Substitute Your Own Form)**

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

_____ of _____
County of _____

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the _____ of the _____ of _____
County of _____, State of Michigan, (the "Municipality") held on
_____.

PRESENT: Members: _____

ABSENT: Members: _____

Member _____ offered and moved the adoption of the following resolution,
seconded by Member _____ .

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and
Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL
324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan
Department of Environmental Quality (the "DEQ") shall establish a strategic water quality
initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to
municipalities for sewage collection and treatment systems or storm water or nonpoint source
pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other
applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient
shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality
to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to establish a(n) (*select one or
more*) asset management plan, stormwater management plan, plan for wastewater/
stormwater, design of wastewater/stormwater, innovative technology, or for
disadvantaged community construction activities (up to \$500,000).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate
principal amount not to exceed _____ ("Grant") be requested from the MFA and
the DEQ to pay for the planning and/or design activities; and

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY
OTHER FORMAT.

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. _____ (*title of the designee's position*), a position currently held by _____ (*name of the designee*), is designated as the Authorized Representative for purposes of the SAW Grant Agreement.
2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.
4. The Grant, if repayable, shall be a first budget obligation from the general funds of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.
5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.
6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.
7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.
8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

YEAS: Members:

NAYS: Members:

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the _____ of the _____ of _____, County of _____, said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Name
_____ of _____, Clerk
_____ of _____ County of _____



Michigan Finance Authority

Stormwater, Asset Management, and Wastewater (SAW)

GRANT AGREEMENT

This Grant Agreement ("Agreement") is made as of _____ 20____, among the Michigan Department of Environmental Quality, Office of Drinking Water and Municipal Assistance (the "DEQ"), the Michigan Finance Authority (the "Authority") (the DEQ and the Authority are, collectively, the "State") and the _____, County of _____ ("Grantee") in consideration for providing grant assistance to the Grantee.

The purpose of this Agreement is to provide funding for the project named below. The State is authorized to provide grant assistance pursuant to the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Legislative appropriation of funds for grant disclosure is set forth in 2013 Public Act 59.

The Grantee shall be required to repay the grant made under this Agreement (the "Grant"), within 90 days of being informed by the State to do so, under certain conditions, as set forth in Section XVIII. Program Specific Requirements: SAW Grant.

Award of a Grant under this Agreement and completion of the activities identified in Exhibit A does not guarantee loan assistance from the State Revolving Fund, Strategic Water Quality Initiatives Fund, or Stormwater, Asset Management or Wastewater.

GRANTEE INFORMATION:

Name/Title of Authorized Representative

Address

Address

Telephone number

E-mail address

GRANT INFORMATION:

Project Name: _____
Project #: _____
Amount of Grant: \$ _____
Amount of Match \$ _____
Project Total \$ _____ (grant plus match)
Start Date: _____ End Date: _____

DEQ REPRESENTATIVE:

Name/Title

Address

Address

Telephone number

E-mail address

AUTHORITY REPRESENTATIVE:

Name/Title

Address

Address

Telephone number

E-mail address

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

The individuals signing below certify by their signatures that they are authorized to sign this Grant Agreement on behalf of their respective parties, and that the parties will fulfill the terms of this Agreement, including the attached Exhibit A, and use this Grant only as set forth in this Agreement.

GRANTEE

Signature of Grantee

Date

Name and title (typed or printed)

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Its Authorized Officer

Date

MICHIGAN FINANCE AUTHORITY

Its Authorized Officer

Date

I. PROJECT SCOPE

This Agreement shall be in addition to any other contractual undertaking by the Grantee contained in the Resolution authorizing the Grant (the "Resolution").

This Agreement, including its exhibit(s), constitutes the entire agreement between the DEQ, the Authority, and the Grantee.

- (A) The scope of this Grant is limited to the activities specified in Exhibit A (the "Project"), and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.
- (B) By acceptance of this Agreement, the Grantee commits to complete the Project identified in Exhibit A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

II. AGREEMENT PERIOD

This Agreement shall take effect on the date that it has been signed by all parties (the "Effective Date"). The Grantee shall complete the Project in accordance with all the terms and conditions specified in this Agreement no later than the End Date shown on page one. **Only costs incurred on or after January 2, 2013 and between the Start Date and the End Date shall be eligible for payment under this Grant.**

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

III. CHANGES

Any decreases in the amount of the Grantee's compensation, significant changes to the Project, or extension of the End Date, shall be requested by the Grantee in writing, and approved in writing by the State in advance. The State reserves the right to deny requests for changes to the Agreement including its Exhibit A. No changes can be implemented without approval by the State.

IV. GRANTEE PAYMENTS AND REPORTING REQUIREMENTS

The Grantee shall meet the reporting requirements specified in Section XVIII of this Agreement.

V. GRANTEE RESPONSIBILITIES

- (A) The Grantee agrees to abide by all local, state, and federal laws, rules, ordinances and regulations in the performance of this Grant.
- (B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this Grant is not a guarantee of permit approval by the state.
- (C) The Grantee shall be solely responsible to pay all taxes, if any, that arise from the Grantee's receipt of this Grant.
- (D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services furnished by its subcontractors under this Agreement. The State will consider the Grantee to be the sole point of contact concerning contractual matters, including payment resulting from this Grant. The Grantee or its subcontractor shall, without additional grant award, correct or revise any errors, omissions, or other deficiencies in designs, drawings, specifications, reports, or other services.
- (E) The DEQ's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The DEQ's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
- (F) The Grantee acknowledges that it is a crime to knowingly and willfully file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the Grant.

VI. ASSIGNABILITY

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

VII. NON-DISCRIMINATION

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

VIII. UNFAIR LABOR PRACTICES

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq*.

IX. LIABILITY

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, any subcontractor, or anyone employed by the Grantee.

(B) All liability as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the State in the performance of this Agreement is the responsibility of the State and not the responsibility of the Grantee if the liability is materially caused by any State employee or agent.

(C) In the event that liability arises as a result of activities conducted jointly by the Grantee and the State in fulfillment of their responsibilities under this Agreement, such liability is held by the Grantee and the State in relation to each party's responsibilities under these joint activities.

(D) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

X. CONFLICT OF INTEREST

No government employee or member of the legislative, judicial, or executive branches or member of the Grantee's governing body, its employees, partner, agencies or their families shall have benefit financially from any part of this Agreement.

XI. AUDIT AND ACCESS TO RECORDS

See Section XVIII (C).

XII. INSURANCE

(A) The Grantee shall maintain insurance or self insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement or from the actions of others for whom the Grantee may be held liable.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

- (B) The Grantee must comply with applicant workers' compensation laws while engaging in activities authorized under this Agreement.

XIII. OTHER SOURCES OF FUNDING

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement shall not be financed by any source other than the State under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings or to immediately refund to the State, the total amount representing such duplication of funding.

XIV. COMPENSATION

- (A) A breakdown of Project costs covered under this Agreement is identified in Exhibit A. The State will pay the Grantee a total amount not to exceed the amount on page one of this Agreement, in accordance with Exhibit A, and only for expenses incurred. All other costs over and above the Grant amount, necessary to complete the Project, are the sole responsibility of the Grantee.
- (B) The Grantee is committed to the match amount on page one of this Agreement, in accordance with Exhibit A. The Grantee shall expend all local match committed to the Project by the End Date of this Agreement.
- (C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.
- (D) The State reserves the right to request additional information necessary to substantiate payment requests.

XV. CLOSEOUT

- (A) A determination of Project completion shall be made by the DEQ after the Grantee has met any match obligations and satisfactorily completed the activities and provided products and deliverables described in Exhibit A.
- (B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.
- (C) The Grantee shall immediately refund to the State any payments or funds in excess of the costs allowed by this Agreement.

XVI. CANCELLATION

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, or other lack of funding upon request by Grantee or upon mutual agreement by the State and Grantee. The State reserves the right to provide just and equitable compensation to the Grantee for all satisfactory work completed under this Agreement.

XVII. TERMINATION

(A) This Agreement may also be terminated by the State for any of the following reasons upon 30 days written notice to the Grantee:

(1) If the Grantee fails to comply with the terms and conditions of the Agreement or with the requirements of the authorizing legislation cited on page 1 or the rules promulgated thereunder, or with other applicable law or rules.

(2) If the Grantee knowingly and willfully presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.

(3) If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.

(4) During the 30-day written notice period, the State shall also withhold payment for any findings under subparagraphs 1 through 3, above.

(5) If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.

(B) The State may immediately terminate this Agreement without further liability if the Grantee, or any agent of the Grantee, or any agent of any subagreement, is:

(1) Convicted of a criminal offense incident to the application for or performance of a state, public, or private contract or subcontract;

(2) Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;

(3) Convicted under state or federal antitrust statutes;

(4) Convicted of any other criminal offense which, in the sole discretion of the State, reflects on the Grantee's business integrity; or

(C) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

XVIII. PROGRAM-SPECIFIC REQUIREMENTS: SAW REPAYABLE GRANT

(A) General Representations. The Grantee represents and warrants to, and agrees with, the Authority and DEQ, as of the date hereof as follows:

(1) Grant funds shall be expended only to cover costs for the development of an Asset Management Plan, Stormwater Management Plan, innovative wastewater or stormwater technology, construction costs for disadvantaged communities, or for planning, design and user charge development.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

(2) Grant funds used for administrative activities or activities performed by municipal employees shall be limited to work that is directly related to the Project and is conducted by employees of the Grantee.

(3) The Grantee has full legal right, power and authority to execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Resolution, and any and all other agreements relating thereto. The Grantee has duly authorized and approved the execution and delivery of this Agreement, the performance by the Grantee of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(4) The Resolution has been duly adopted by the Grantee, acting through its executive(s) or governing body, is in full force and effect as of the date hereof, and is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(5) The execution and delivery of this Agreement by the Grantee, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Grantee a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Grantee is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Grant, or result in a default or lien on any assets of the Grantee. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Grantee under the Resolution or this Agreement.

(6) No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Grantee of the Resolution, or execution and delivery by the Grantee of this Agreement which has not already been obtained, nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

(7) Proceeds of the Grant will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution and Exhibit A or (ii) to reimburse the Grantee for a portion of the cost of the Project. The Grantee will expend the proceeds of each disbursement of the Grant for the governmental purpose for which the Grant was issued.

(8) The attached Exhibit A contains a summary of the estimated cost of the Project, which the Grantee certifies is a reasonable and accurate estimate.

(9) The Grantee reasonably expects (i) to fulfill all conditions set forth in this Agreement to receive and to keep the Grant, and (ii) that no event will occur as set forth in this Agreement which will require the Grantee to repay the Grant.

(B) Repayment of Grant. The Grantee shall repay the Grant, within 90 days of being informed to do so, with interest calculated from the date Grant funds are first drawn at a rate not to exceed 8% per year, to be determined by the Authority, to the Authority for deposit into the SWQIF.

“(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided.”

SAW grant recipients for wastewater system asset management plans are required to make significant progress on the funding structure. Significant progress is defined as a 5-year plan to eliminated the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years. Asset management plans for stormwater systems are to be implemented. Stormwater management grant recipients must develop a stormwater management plan. Innovative project grant recipients must proceed with full implementation or certify that the project is not financially or technically feasible.

(C) Covenants and Certifications.

(1) The Grantee has the legal, managerial, institutional, and financial capability to plan, design, and build the Project, or cause the Project to be built, and cause all facilities eventually constructed to be adequately operated.

(2) The Grantee certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Grantee's ability to make timely repayments of the grant if any of the two (2) conditions identified under Section XVIII(B) occur.

(3) The Grantee agrees to provide the minimum appropriate local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.

(4) The Grantee agrees to maintain complete books and records relating to the grant and financial affairs of the Project in accordance with generally accepted accounting principles ("GAAP") and generally accepted government auditing standards ("GAGAS").

(5) The Grantee agrees that all municipal contracts related to the Project will provide that the contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.

(6) The Grantee agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the Project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners or agents with which the applicant negotiates an agreement.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

(7) The Grantee agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years after satisfactory completion of the Project and final payment. If litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.

(8) The Grantee agrees to ensure that planning and design activities of the Project are conducted in compliance with the requirements of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, its Administrative Rules; and all applicable state and federal laws, executive orders, regulations, policies, and procedures.

(9) The Grantee agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to satisfy the program requirements as identified under Section XVIII(B) within three years of award of the SAW Grant from the Strategic Water Quality Initiatives Fund in accordance with Section 5204(e) of the Natural Resources and Environmental Protection Act 1994, PA 451, as amended.

(10) The Grantee acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

(D) Grantee Reimbursements and Deliverables

The Grantee may request grant disbursements no more frequently than monthly, using the Disbursement Request Form provided by the DEQ. Upon receipt of a disbursement request, the DEQ will notify the Authority, which will in turn disburse grant funds equal to 75 percent, 90 percent, or 100 percent of eligible costs, whichever percentage is applicable, that have been adequately documented. The forms provided by the State will include instructions on their use and shall be submitted to the DEQ representative at the address on page 1. All required supporting documentation (invoices) for expenses must be included with the disbursement request form. The Grantee is responsible for the final submittal of all documents prepared under this Grant and included in the Project Scope identified in Exhibit A.

(E) Miscellaneous Provisions.

(1) Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan.

(2) Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

(3) Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

XIX. USE OF MATERIAL

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the DEQ funded all or a portion of its development.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

XX. SUBCONTRACTS

The State reserves the right to deny the use of any consultant, contractor, associate or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

XXI. ANTI-LOBBYING

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying" means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

XXII. IRAN SANCTIONS ACT

By signing this Agreement, the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses as outlined in Michigan Compiled Law 129.312

XXIII. DEBARMENT AND SUSPENSION

By signing this Agreement, the Grantee certifies to the best of its knowledge and belief that it, its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a 3-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

Project No. _____

SAW Grant Program

Exhibit A

Grantee: _____

Project Name: _____

DEQ Approved Grant Amount: \$ _____; _____ Dollars

Time Period for Eligible Costs: Start Date _____ (month/year)

End Date _____ (month/year)

Description of Approved Project Scope:

DEQ Approved Project Costs	
1. Project Planning Costs	
2. Design Engineering Costs	
3. User Charge Development Costs	
4. Wastewater Asset Management Plan Costs	
5. Stormwater Asset Management Plan Costs	
6. Stormwater Management Plan Costs	
7. Innovative Wastewater and Stormwater Technology Costs	
8. Disadvantaged Community Construction Cost	
9. Cost Subtotal	
10. LESS Local Match	
11. Requested SAW Grant Amount (Line 9 minus Line 10)	

The following services have been determined to be ineligible for SAW Grant assistance, for the reasons listed, and have been excluded from the approved project costs shown above:

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

APPENDIX A

Wastewater Planning and Design Activities

Note: User Charge Development Costs can be included in either a planning or design grant.

Planning Grant Requirements

Applicants intending to fund projects through USDA Rural Development are required to develop a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to develop a project proposal in accordance with the guidance below.

Applicants intending to fund projects through an SRF or SWQIF loan are required to develop a project plan in accordance with the Project Plan Preparation Guidance (http://www.michigan.gov/documents/deq/deq-ess-mfs-formsguidance-SRFpmsguide_249032_7.dot).

Design Grant Requirements

All applicants are required to develop and submit plans and specifications suitable for bidding.

Applicants intending to fund projects through USDA Rural Development are required to submit a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to submit an approvable project proposal in accordance with the guidance below. If seeking a SAW loan, the project proposal should reference an asset management plan.

Applicants intending to fund projects through an SRF or SWQIF loan are required to submit an approvable Project Plan.

Project Proposal

Below are the minimum requirements for a project proposal.

1. Study Area Identification and Description

- a. Cover the geographic area served by or affected by the proposed project. For example, for a nonpoint source (NPS) project that is replacing an asphalt mall parking lot with porous pavers, the study area should encompass, at least, the parking lot, mall, and properties that abut the parking lot.
- b. Population Data – include if relevant (e.g., needed when discussing asset management associated with future needs that would be based on population projections).
- c. Environmental Setting – include description of environmental features relevant to project’s geographical area and project construction activities. Include a map.
 - If present, identify wetlands, floodplains, natural/wild scenic rivers surface waters, parks, agriculture land, and endangered/threatened species. A Michigan Natural Features Inventory review should be conducted unless the applicant can show that construction is limited to a developed area.
- d. Do NOT include land use and economic characteristics, unless relevant to the project.

2. Existing Facilities

Should be described to the extent that existing facilities are included in the project or will be affected by the project.

3. Project Need

Describe in detail the need for the project, as well as any relevant permit compliance issues and water quality problems. Facility or project needs should be evaluated for a time period equal to the service life of the proposed project (i.e., the proposal should evaluate needs for a timeframe long enough so that the proposed project doesn’t become ineffective after only a few years or before the loan has been paid).

4. Description of Project Options Considered

Provide a description of the options considered to address the proposed project including a brief description of the costs and potential environmental impacts.

5. Proposed Project

Provide a detailed description of the proposed project including cost estimates and a construction schedule, as well as maps and/or diagrams.

6. Evaluation of Environmental Impacts

Discuss impacts from project construction and operation. Include a description of measures to mitigate impacts and the beneficial impacts.

GUIDANCE FOR APPENDIX A

Grant Eligible

Planning

- Costs associated with the development of a SAW loan project proposal, SRF/SWQIF project plan, or other similar planning documents.
- Equipment and services for the purchase, installation, and operation of flow meters necessary for an infiltration and inflow (I/I) analysis.
- Costs to prepare an eligible SAW grant application, including force account work.
- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.

Design

- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.
- Costs of preparing a basis of design, value engineering services, and preparation of plans and specifications. Any design-related service required to obtain the construction permit. This includes easement-related services for property surveys and easement descriptions.

User Charge System Development Costs

- The costs associated with developing or updating the applicant's system of rates and user charges to cover the costs of project construction, operation, and maintenance.
- The costs to develop, amend, and pass sewer use ordinances, and prepare or revise intermunicipal service agreements, or rate methodologies that are necessary for construction of the proposed project.

Grant Ineligible

Planning and Design

- Purchase price and associated costs to acquire land/easements such as appraisals, title searches, easement agreement preparation, legal notices, and closing costs.
- Bidding phase services, including construction staking.

APPENDIX B

Planning and/or Design of Stormwater and/or Nonpoint Source of Water Pollution

Required Information

SAW grant assistance for stormwater and/or NPS projects must address a water quality problem. If the project is identified in one of the following documents, please submit the document with the application unless it has already been submitted to the DEQ for review and approval. (If the document has been submitted to the DEQ for review, please provide the name of the DEQ staff member in receipt of the document.)

- An approved 319/CMI NPS watershed plan
- A Municipal Separate Storm Sewer System (MS4) permit (if the proposed project is required under the permit, then attach an explanation to this application)
- An approved Total Maximum Daily Load (attach an explanation to this application)
- A SAW stormwater management plan

Planning Grant Requirements

Applicants intending to fund projects through USDA Rural Development are required to develop a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to develop a project proposal in accordance to the guidance in Appendix A.

Applicants intending to fund projects through an SRF or SWQIF loan are required to develop a project plan in accordance with the Project Plan Preparation Guidance (http://www.michigan.gov/documents/deq/deq-ess-mfs-formsguidance-SRFppsguide_249032_7.dot).

Design Grant Requirements

All applicants are required to develop and submit plans and specifications suitable for bidding.

Applicants intending to fund projects through USDA Rural Development are required to submit a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to submit an approvable project proposal in accordance with the guidance in Appendix A.

Applicants intending to fund projects through an SRF or SWQIF loan are required to submit an approvable project plan.

GUIDANCE FOR APPENDIX B

Grant Eligible

Planning

- Costs associated with the development of a SAW loan project proposal, SRF/SWQIF project plan, or other similar planning documents.
- Equipment and services for the purchase, installation, and operation of flow meters for a hydrological study of a storm sewer system or a watershed.
- Costs to prepare an eligible SAW grant application, including force account work.
- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.

Design

- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.
- Costs of preparing a basis of design, design and preparation for construction permit(s), value engineering services, and preparation of plans and specifications. This includes easement-related services for property surveys and easement descriptions.

User Charge System Development Costs

- The costs associated with developing or updating the applicant's system of rates and user charges to cover the costs of project construction, operation, and maintenance.
- The costs to develop, amend, and pass sewer use ordinances, and prepare or revise intermunicipal service agreements, or rate methodologies that are necessary for construction of the proposed project.

Grant Ineligible

Planning and Design

- Post-construction monitoring of stormwater best management practices (BMP) performance to determine effectiveness.
- Purchase price and associated costs to acquire land/easements such as appraisals, title searches, easement agreement preparation, legal notices, and closing costs.
- Bidding phase services, including construction staking.

APPENDIX C
Asset Management Plan for Stormwater and Wastewater

A. Proposed Scope of Work

Applicants can seek AMP grant assistance to cover the costs of the asset management plan development and implementation for wastewater and stormwater systems. This includes a complete inventory of all existing system assets. If the condition of the asset is not known, a reasonable assumption is acceptable. Cleaning and televising of the entire system is not expected.

If the wastewater AMP identifies a gap in the current revenue needs to meet expenses, then significant progress must be made toward achieving the funding structure necessary to operate the system. If no gap is identified, the applicant has fulfilled the significant progress requirement. Significant progress is defined as a 5-year plan to eliminate the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years and submit a copy of the 5-year plan with the certification.

The stormwater AMP must be implemented within three years of the executed grant. The applicant is required to submit the Stormwater AMP Certification of Project Completeness within three years of the executed grant.

Describe the specific activities you will fund with the AMP grant assistance. Attach additional pages as necessary:

B. Describe your current asset management plan as applicable:

Provide the percentage of tasks completed and describe each asset management component of your current asset management plan

1. Asset Inventory and Condition Assessment
2. Level of Service
3. Criticality of Assets
4. Operation and Maintenance (O&M) Strategies/Revenue Structure
5. Long-term Funding/Capital Improvement Planning

C. Revenue Structure (for wastewater only)

Attach a copy of the current rates. It is expected that the applicant will submit an updated copy of the rate methodology within 2 ½ years of the executed grant to the DEQ.

If the applicant currently does not have a rate methodology, the asset management plan must include the development of a funding structure and rate methodology that provides sufficient resources to implement the asset management plan.

Is the applicant part of a regional facility? YES NO

D. Cross-Sectoring

Section 2504 e (2)(i) states that “The municipality shall coordinate, as feasible, with other infrastructure activities in the same geographic area.” Asset management encourages cross-sector utilization (for water utility, roads, gas, phones, etc.); however grant assistance may only be requested for those costs directly related to the requested asset management grant.

If cross-sectoring occurs, describe how SAW costs will be tracked.

E. Project Cost Worksheet

Carefully read the guidance below before completing the Project Cost Worksheet.

Item	Incurring Costs	Force Account Costs	Estimated Costs	Supporting Documents	Total
Inventory				Y N	
Condition assessment (excluding televising)				Y N	
Metering/modeling				Y N	
AM/GIS Software*				Y N	
AM/GIS Training*				Y N	
AM/GIS Hardware*				Y N	
Cleaning & Televising Contracted costs Equip. rental costs Labor costs				Y N	
Level of Service Service agreement development Public meeting cost Ordinance cost				Y N	
Training/certification For PACP For MACP				Y N	
Rate Structure Development costs				Y N	
Other				Y N	

*Indicates items included in the cost limitations for software, hardware, and training as described in the Guidance below.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

F. National Pollutant Discharge Elimination System (NPDES) Permits for Municipal Wastewater Systems Only (Not Stormwater)

Do you currently hold a NPDES permit to cover discharges from your wastewater system?
 YES NO

If Yes, what is the permit number? _____

If you have a NPDES permit, does it currently contain an asset management requirement?
 YES NO

Note: For all NPDES permit holders, the applicant acknowledges that acceptance of a SAW wastewater asset management grant will result in an asset management condition in the next reissued NPDES permit. The asset management plan developed must meet NPDES permit requirements. The NPDES permit language can be found at: www.michigan.gov/cleanwaterrevolvingfund (select Forms and Guidance).

GUIDANCE FOR APPENDIX C

Grant Eligible

- AMP/Geographic Information System (GIS) mapping software/hardware/training. Total limits are as follows:

Service Area Population	Dollar Limit
Less than or equal to 5,000	\$60,000
5,001 to less than or equal to 20,000	\$85,000
20,001 to less than or equal to 50,000	\$110,000
Greater than 50,000	\$160,000

Note: Attach justification when assistance is sought for an applicant with an existing GIS system or for when an exception is being made to the above dollar limits.

- Asset condition assessment (manhole inventory, cleaning and televising)
 - All televising and documentation must be completed in accordance with National Association of Sewer Service Companies (NASSCO) Pipeline Assessment and Certification Program/Manhole Assessment Certification Program (PACP/MACP) requirements and by PACP/MACP certified personnel.
 - ***Equipment rental costs for force account work of cleaning and televising equipment owned by the applicant will be reimbursed at rates no greater than those provided in an informal quote on a per foot basis.***
 - A justification is needed to clean and televise sewers installed or relined within the last 20 years. The limit is to encourage communities to focus on sewers installed or relined prior to 1993.
- Force account costs associated with the direct implementation of the AMP/GIS software and hardware. The maximum rate for fringe costs is 40 percent of salary.
- The technical, legal, and financial costs to develop a funding structure and implementation schedule necessary to implement an AMP, or portion thereof. These tasks include those costs associated with the preparation or amendment of sewer use and rate ordinances, stormwater

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

management ordinances, policies and design standards, preparation or revision of inter-municipal service agreements, and submittal of the proposed budgets and rate methodologies.

- Any specific tasks named as a condition of an NPDES permit not identified elsewhere in this guidance, such as mapping without GIS, a fixed asset inventory, a business risk evaluation, an annual report of operation, maintenance, and replacement (OM&R)/AMP activities, etc.
- Aerial data collection at the 12-inch resolution when it is purchased from the county or obtained from the state (for GIS purposes only).
- The development of a stormwater funding structure is not required; however, an analysis of costs to maintain the system and to support the asset management program must be included.
- Stormwater utility development costs.
- Level of service may include service agreement development, public meeting costs, and ordinance costs.

Grant Ineligible

- Annual license renewals to an existing GIS system.
- Legal fees to defend the rate structure if challenged.

APPENDIX D

Stormwater Management Plan

The SAW grant program is available to applicants who wish to acquire funding for the development of Stormwater Management Plans. Under the SAW program, a Stormwater Management Plan is broadly defined to include those documents listed in the below checklist. Applicants are encouraged to review the webpages associated with each document to determine which Stormwater Management Plan best fits their planning needs for the treatment of stormwater. Applicants should also review the Stormwater Management Plan guidance document.

For those applicants applying for a SAW grant for the development of a Stormwater Management Plan, indicate below which type of document will be generated using grant funding. Include a description and a map of the planning area, as well as a description of water quality problems that will be addressed with the Stormwater Management Plan.

- Municipal Separate Storm Sewer System (MS4) Stormwater Management Program (see www.mi.gov/deqstormwater). An MS4 Stormwater Management Program addresses the effects of urbanization on the water quality of surface waters of the state. Please choose one of the following:
- Applicant currently has National Pollutant Discharge Elimination System (NPDES) MS4 permit coverage
 - Applicant will be a new NPDES MS4 permittee

Applicants applying for a SAW grant for one of the following Stormwater Management Plans, shall also include as part of the application the percentage of land uses in the planning area.

- NPS Watershed Management Plan (See the “Developing an Approved Watershed Management Plan” www.mi.gov/nps). The description of water quality problems must include the following:
- A description of the watershed and watershed boundary and the hydrologic unit code.
 - A description of the current water quality conditions, and the needs/problems to be addressed with the proposed project. List or discuss all 303(d) listed water bodies and include the Assessment Unit ID (See the [2012 Integrated Report](#), Appendix B).
 - A list of the pollutants the NPS Watershed Management Plan will target. The list shall include pollutants listed in the [2012 Integrated Report](#) for Michigan (See Appendix B of the report) as causing designated use impairments in the watershed where NPS pollution is a contributor to the water quality impairment. The list should also include pollutants important at the local level and the rationale for the listing.

- SAW Stormwater Management Plan

Stormwater Management Plan

The SAW grant program is available to applicants who wish to acquire funding for the development of Stormwater Management Plans and the design of projects contained or described within a Stormwater Management Plan. Under the SAW program, a Stormwater Management Plan is broadly defined to include:

- Municipal Separate Storm Sewer System (MS4) Stormwater Management Plan (See the MS4 at www.mi.gov/deqstormwater)
- NPS Watershed Management Plan (See the “Developing an Approved Watershed Management Plan” at www.mi.gov/nps)
- SAW Stormwater Management Plan (See the SAW Stormwater Management Plan on page 22)

Development of a Stormwater Management Plan

MS4 Stormwater Management Plan

Permittees required to develop an MS4 Stormwater Management Plan (SWMP) are municipal agencies, such as cities, townships, villages, county agencies, and school districts located in a census defined urbanized area with a discharge of stormwater to surface waters of the state. The existing NPDES MS4 individual permit application is structured such that by completing the application, an MS4 SWMP is produced. The best management practices (BMP) included in the MS4 SWMP shall be designed to reduce the discharge of pollutants from the MS4 to the maximum extent practicable.

For those applicants who are developing a new MS4 SWMP, the development of the entire MS4 SWMP is eligible for SAW grant funding. An applicant who already has an approved MS4 SWMP or Stormwater Pollution Prevention Initiative (SWPPI) in place can receive funding to update the SWMP/SWPPI. An approved MS4 SWMP includes the following minimum requirements:

1. BMPs to be implemented to meet the following six minimum control measures (a– f) and applicable water quality requirements (g)
 - a. Public Participation/Involvement Program
 - b. Public Education Program
 - c. Illicit Discharge Elimination Program
 - d. Construction Stormwater Runoff Control Program
 - e. Post-Construction Stormwater Runoff Program
 - f. Pollution Prevention and Good Housekeeping Program
 - g. Total Maximum Daily Loads (TMDL) Implementation Plan (This water quality requirement applies to a regulated MS4 that discharges stormwater to impaired waters with an approved TMDL that includes a pollutant load allocation assigned to the regulated MS4.)
2. A measurable goal for each BMP. Each measurable goal shall have a measure of assessment to determine progress towards achieving the measurable goal.
3. The following Phase I MS4 Permittees shall include as part of the SWMP an Industrial Facility Program: [cities of] Ann Arbor, Flint, Grand Rapids, Sterling Heights, and Warren.

The NPDES MS4 individual permit application allows an applicant the option of submitting a collaborative approach for four of the six minimum control measures and the water quality requirements as part of the SWMP. Collaborative efforts may include several MS4 permittees collaborating to meet all or parts of a minimum control measure or water quality requirement.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

The MS4 SWMP is considered approved when an individual NPDES permit is issued to the MS4 permittee with the requirement to implement and enforce the approved MS4 SWMP. The MS4 permittee is required to document progress made implementing the MS4 SWMP as part of the Progress Report requirements in the MS4 NPDES permit.

For MS4 permittees with an approved SWMP or SWPPI, the following are examples of updates that may be eligible if the activity is significantly revised or goes beyond what is currently included in the approved SWMP/SWPPI:

- Public Education Program: Developing and implementing a survey to assess changes in public behavior.
- Illicit Discharge Elimination Program:
 - Developing a storm sewer system map to include the location of all outfalls and points of discharge.
 - Prioritizing dry-weather screening of outfalls and points of discharge by identifying areas of high illicit discharge potential. This prioritization could be completed as a collaborative effort with several MS4 permittees.
- Post-Construction Stormwater Runoff
 - Updating post-construction stormwater runoff performance standards. More specifically, updating an ordinance or regulatory mechanism to include the water quality treatment and channel protection performance standards in the current NPDES MS4 individual permit application.
 - Developing a tracking system for ensuring the long-term maintenance of post-construction BMPs. For example, a system to track the performance of the BMPs implemented to meet the performance standards and included in a maintenance agreement.
- Pollution Prevention and Good Housekeeping Program
 - Developing a site-specific standard operating procedure identifying the structural and non-structural stormwater controls implemented or to be implemented and maintained to prevent or reduce pollutant runoff at facilities owned/operated by the applicant with a high potential for pollutant runoff.
 - Developing a procedure for assessing catch basins for routine inspection, maintenance, and cleaning based on preventing or reducing pollutant runoff.
- TMDL Implementation Plan – Developing a TMDL monitoring plan for assessing the effectiveness of BMPs currently being implemented or to be implemented in making progress toward achieving the TMDL pollutant load reduction requirement.

Nonpoint Source Watershed Management Plan

Applicants eligible to develop a NPS Watershed Management Plan include cities, villages, counties, townships or other public bodies established under state law (watershed alliances, conservation districts, and regional planning agencies for example). Watershed Management Plans under this category must be approvable as defined in the administrative rules for the CMI NPS Pollution Control Grants and/or include the “nine minimum elements of watershed planning” required by the United States Environmental Protection Agency. To maximize potential future funding, plans should meet both state and federal criteria. NPS Watershed Management Plans must be developed for a hydrologically-based area and must include a list of targeted pollutants. Targeted pollutants must include those listed in Michigan’s 2012 Integrated Report as causing designated use impairments in the watershed. The list should also include pollutants important at the local level as well as the rationale for their listing.

For an applicant who is developing a new NPS Watershed Management Plan, the development of the entire plan is eligible for SAW grant funding. Justifiable updates to a previously approved NPS

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

Watershed Management Plan are also eligible. Justifiable updates to a plan include, but are not limited to: updates to meet additional criteria; reevaluation of environmental conditions and next steps; etc.

Complete watershed management plans (along with completed [checklists](#)) can be submitted to the appropriate [district office](#) or the NPS Unit in Lansing. Watershed plan reviews require a minimum of 90 days and approval typically requires two or more reviews.

Applicants developing a NPS Watershed Management Plan for: (1) watersheds with flooding, flashy flows, or other hydrology issues; (2) or recommended stream bank stabilization, channel realignment, changes to channel geometry; (3) or changes impacting flow or sediment transport, must refer to the NPS Hydrologic and Geomorphic Guidance. Applicants must also consider a wetlands component, as described in the Guidance for Wetland Related Elements, when developing a NPS Watershed Management Plan.

SAW Stormwater Management Plan

An applicant that wants to develop a SWMP other than an MS4 or NPS SWMP may receive grant funding to develop a SWMP as long as it contains the following minimum components:

1. A description and map of the jurisdictional boundaries and the area to be covered by the plan (typically a sewershed and/or drainage district). The planning area should be hydrologically based and include the entire collection and conveyance system (open and closed) as well as the contributing area.
2. A description of the major components of the stormwater system and/or country drainage district, including sewershed and watershed boundary and internal sub-boundaries, surface water hydrology, mapping of stormwater conveyance (pipes and channels), existing storage, regulatory or other mapped floodplains, flood control facilities and treatment components.
3. A description of publically owned BMPs and private BMPs that significantly affects the stormwater system.
4. A description of all stormwater sources and all known stormwater related water quality problems within the planning area (for example, surface flooding, hydraulic restriction, erosion, water quality, etc.).
5. Include recommendations and an analysis of projects to correct stormwater and known stormwater related water quality problems.
 - a. This includes project identification, preliminary sizing and description of proposed activities. Proposed activities could consist of capital improvements (i.e. culvert replacement, channel modification, structural BMPs, etc.) or changes to inspection or maintenance activities (i.e. stream bank assessments, detention basin inspections, floodplain or floodway encroachment surveys, etc.).
 - b. Provide estimated operation, maintenance and capital costs for all recommendations
6. Include a timeline for implementation of the plan. The extent of the timeline is at the applicant's discretion (i.e., 5-year, 10-year, etc.).

It is strongly suggested that the following components also be included in the SWMP:

1. A general maintenance plan
2. The desired level of service should be determined through a public involvement process
3. A public education program or activities
4. A general description of land use percentages

GUIDANCE FOR APPENDIX D

Grant Eligible

- A Stormwater Management Plan (SWMP) must address water quality issues caused by surface runoff of stormwater. There must be a stormwater related water quality problem, not just a stormwater quantity issue.
- Pre-project (planning and design) assessment of Best Management Practices (BMPs) to determine the most effective solution.
- Legal and/or force account costs associated with the creation or amendment of stormwater ordinances, policies, and design standards.
- Flow monitoring for a hydrologic analysis of a stormwater conveyance system or surface water system.
- Water quality sampling to determine current water quality conditions.
- Development of a public education and involvement program or activities for stormwater issues.
- Development of a maintenance plan for stormwater practices.
- AMP/GIS mapping software/hardware/training. Total limits are as follows:

Service Area Population	Dollar Limit
Less than or equal to 5,000	\$60,000
5,001 to less than or equal to 20,000	\$85,000
20,001 to less than or equal to 50,000	\$110,000
Greater than 50,000	\$160,000

Note: Attach justification when assistance is sought for an applicant with an existing GIS system or for when an exception is being made to the above dollar limits.

Grant Ineligible

- Costs related to implementation of a MS4 SWMP program
- The purchase price to acquire land/easements
- Post-construction monitoring of stormwater management BMP performance to determine effectiveness.
- Planning and design activities related to the evaluation of groundwater impacted by stormwater infiltration.

APPENDIX E
SAW Innovative Wastewater and Stormwater Technology

Project costs related to the testing and demonstration of innovative wastewater and stormwater technologies are eligible for grant funding. Within three years of the executed grant, the applicant must determine if the project is technically and financially feasible to implement and submit a SAW Innovative Technology Certification of Project Completeness. If the testing and demonstration results of the innovative technology prove to be technically and financially feasible, the applicant must agree to construct the project. Complete the following to aid in determining grant eligibility.

- A. The technology must meet one or more of the following categories to be considered innovative:
- The technology has not been previously used in Michigan or the region, if influenced by climate
 - The technology has not been previously used in the United States, if independent of climate influences
 - The technology is an application of an existing technology applied to a different media (e.g. a water supply treatment technology applied to the wastewater field)
 - The technology is an application of an existing technology applied to a different pollutant (e.g. previously used to address pollutant ‘X’, proposed to address pollutant ‘Y’)

Provide a detailed explanation of how the innovative technology meets one or more of the categories above (attach additional pages, if necessary):

- B. Eligible projects must focus on a specific existing water quality issue that needs to be addressed. Provide a detailed explanation of how the proposed testing and demonstration of an innovative technology meets this requirement (attach additional pages, if necessary):

- C. For eligible technologies identified in A above, attach a detailed pilot study work plan. The work plan should be developed based on the associated guidance included with this application.

GUIDANCE FOR APPENDIX E

Grant Eligible

- Pilot studies demonstrating the effectiveness of wastewater and/or stormwater technologies which do not result in any permanent construction that becomes a tangible asset.
- If testing and demonstration is successful, and reasonable in cost, the applicant must certify a project using the innovative technology will be constructed. If the testing and demonstration is not successful, there is no commitment to proceed with construction.

Grant Ineligible

- Permanent construction of the pilot technology

Application Guidance

The SAW program allows for grants to fund project costs related to the testing and demonstration of innovative wastewater and storm water technologies. Innovative technologies must meet one or more of the four listed criteria:

1. Those technologies influenced by climate and have not been previously used in Michigan or the region may be eligible. For instance, if a technology that is heavily temperature dependent and has been used in warmer climates but not yet in colder climates is proposed for testing and demonstration, it may be eligible for grant funding.
2. Other potentially eligible projects include those that have not been previously used in the United States,
3. An application of an existing technology applied to a different media, or
4. A technology that is applied to address a different type of pollutant than previously used for.

Eligible projects are expected to focus on a specific and existing water quality issue that needs to be addressed. For example, this may include a technology that provides better and/or more efficient treatment performance. The existing water quality issue should be documented with water quality data or other relevant information (this may include the DEQ Water Resources Division's Integrated Report, approved Total Maximum Daily Loads (TMDL) or watershed management plans, local health department records, compliance or enforcement documents, etc.). The explanation should clearly tie together how the innovative technology will address the existing water quality issue which has been identified.

A pilot study work plan is required to be submitted with the application. The pilot study should provide sufficient evaluation of the applicability, operational reliability and effectiveness of the innovative technology. This should be demonstrated with a prototype unit or process of sufficient size and designed to operate at its design load conditions.

To determine that such new processes and equipment or applications have a reasonable and substantial chance of success, the following should be considered when developing a pilot study plan:

- Evaluation and discussion of any related, existing performance data and manufacturer's information.
- A plan for monitoring observations, including test results and evaluations, demonstrating the efficiency and effectiveness of such processes or equipment.
- Detailed description of the test methods and their appropriateness.
- Testing, including appropriate sampling, under various ranges of strength and flow rates (including diurnal and/or seasonal variations) and temperatures over a sufficient length of time to demonstrate performance under climatic and other conditions which may be encountered in the area of the proposed installations.
- Other appropriate information.
- Coordination and approval by DEQ district engineers if there are temporary changes in the operation of a permitted facility or permitted discharge during pilot testing.

It is strongly recommended that applicants team with academic institutions to aid in development and completion of a pilot study.

APPENDIX F
Disadvantaged Community Status Determination Worksheet

In order to determine the disadvantaged status of a community, the Revolving Loan Section will first look to see if:

- 1) More than 50 percent of the area served by a proposed sewage treatment works project or stormwater treatment project is identified as a poverty area by the United States Census Bureau;
- 2) The median annual household income of the area served by a proposed sewage treatment works project or stormwater treatment project is less than the most recently published federal poverty guidelines for a family of 4 in the 48 contiguous United States. In determining the median annual household income of the area served by the proposed sewage treatment works project or stormwater treatment project, the municipality shall utilize the most recently published statistics from the United States Census Bureau, updated to reflect current dollars, for the community which most closely approximates the area being served by the project.

If no determination can be made by either criteria 1 or 2 then the following information will be used:

1. Is the applicant seeking a planning or design grant? YES NO

If YES, provide the total estimated construction amount \$_____.

2. Annual payment on the existing debt for the wastewater or stormwater system (if applicable):

\$_____.

3. Total operation, maintenance and replacement expenses for the wastewater or stormwater system on an annual basis: \$_____.

4. Number of "residential equivalent users" in the system: _____.

If you have any questions about this worksheet, then contact Mr. Robert Schneider at 517-388-6466.

Note: If the total estimated construction amount is provided, the result of this determination is temporary until actual bid costs are submitted.

**OAKLAND COUNTY
WATER RESOURCES COMMISSIONER****MEMORANDUM**

TO: Tim Kuhns
FROM: Tim Prince
SUBJECT: Novi SDS (tributary to WLN WWTP) SAW Grant
DATE: 10/14/13

Background

The Michigan Department of Environmental Quality (MDEQ) is administering a new grant and loan program called "Stormwater, Asset Management, and Wastewater (SAW)". The SAW Program provides grants for costs associated with the following: planning and design of sewage collection and treatment projects; development of asset management plans for sanitary and stormwater collection and treatment systems; development of stormwater plans; and pilot testing of innovative projects. It also provides state-funded loans to construct projects identified in approved asset management plans. Grants are available for up to a \$2M per municipality with a 10% local match on the first \$1M, and 25% on the second \$1M. Grants are for planning and design only. Any construction would be funded through a loan or another funding source. The funding source is derived from the 2002 Great Lake Water Quality Bond and designates \$450M for grants and loans with \$97M set aside for Fiscal Year 2014. Funds may be used for payment of consultants or contractors, or to pay for City personnel and expenses directly related to the work.

Applications are being accepted by the MDEQ beginning December 2, 2013 on a first-come, first-served process of evaluating applications. Due to anticipated popularity of this Program, it is critical to ensure the application is complete, approved and ready for submission on or before December 2.

Proposed Grant Application

Development of the asset management plan for the Novi's Sewage Disposal System tributary to the WLN WWTP (SDS) includes inventorying and assessing the condition of the assets, assessing risk and criticality for each asset, and determining future investment needs and prioritization, as well as to review current operation and maintenance methods and funding sources. As a requirement of the grant, an evaluation of future revenue requirements for major maintenance and capital improvement reserves will be completed based on the level of service identified by the City. If a funding gap is identified as part of this process, it will need to be addressed within a 5 year period, as a requirement of the grant.

The total costs for this Asset Management Plan (AMP) are \$750,000 as outlined in the attached scoping document. 90% of this will be grant eligible, and the other 10% will come from local match. As a result, the cost to the SDS Fund will be approximately \$75000.

A major benefit of the Grant is that it covers costs (televising, cleaning and inspection) that would normally have come out of system operating costs. In addition, the AMP will optimize future cleaning,

televising and inspection frequencies which will result in additional long term operating cost savings. The savings will be significantly more than the initial \$75,000 for the local match.

Recommended Approvals

Included with this memo is the required resolution that must be passed by the Council and submitted with the grant application by no later than December 2, 2013 to the MDEQ. The resolution was drafted by the State Attorney General's office and this resolution must be accepted exactly as written, with no changes to the language or format. Any alterations to this exact document are subject to review by the Attorney General's office, and may result in your application being deemed administratively incomplete if said alterations are not acceptable, which could limit or delay the ability to receive funding. The Council should also pay special attention to the agreement that is included in the Application packet. Should the City be successful in securing grant funding, this will need to be executed.

SAW GRANT APPLICATION

Rick Snyder, Governor

Michigan Department of Environmental Quality (DEQ)

Dan Wyant, Director

<http://www.michigan.gov/deq>

Michigan Department of Treasury Michigan Finance Authority (Authority)

Andy Dillon, State Treasurer

<http://www.michigan.gov/treasury>

Administered by:

Department of Environmental Quality
Office of Drinking Water and Municipal Assistance
Revolving Loan Section
Sonya T. Butler, Chief

Department of Treasury
Michigan Finance Authority
Joseph Fielek, Executive Director

Mailing Addresses:

PO Box 30241
Lansing, Michigan 48909
517-284-5433

PO Box 15128
Lansing, Michigan 48901
517-335-0994

Delivery Addresses:

Constitution Hall
4th Floor South
525 West Allegan Street
Lansing, Michigan 48933

Richard H. Austin Building
1st Floor
430 West Allegan Street
Lansing, Michigan 48922

**Completion of this application is mandatory for the applicant
to be considered for SAW Grant Program assistance.**

Printed under the authority of Parts 52 and 53, of the Natural Resources and Environmental Protection Act,
1994 PA 451, as amended.

October 8, 2013

SAW Grant Application Instructions

Project information: This portion of the grant application needs to be completed and returned with one or more of the grant activities noted in the appendices below.

Authorizing Resolution: The resolution must be signed and dated. Submit the resolution with the project information noted above.

Sample Grant Agreement: A sample of the grant agreement must accompany the resolution.

Appendices: Provide complete information as noted in the Appendix that corresponds to the proposed project. Each Appendix contains guidance on eligibility and general information related to the grant activity.

- Appendix A: Wastewater Planning, Design and User Charge Activities
- Appendix B: Planning and/or Design of Stormwater and/or Nonpoint Source of Water Pollution
- Appendix C: Asset Management Plan for Stormwater and Wastewater
- Appendix D: Stormwater Management Plan
- Appendix E: SAW Innovative Wastewater and Stormwater Technology
- Appendix F: Disadvantaged Community Status Determination Worksheet

Appendix C and Appendix E will require a separate certification within 3 years of the grant award confirming that grant activities have been completed. The certification forms can be found at: www.michigan.gov/cleanwaterrevolvingfund (select Forms and Guidance).

A hard copy of the grant application must be submitted to the DEQ. Grant applications may be submitted at any time beginning December 2, 2013. Grant awards will be issued quarterly based on the date an application is administratively complete, until available SAW funding had been exhausted.

PROJECT INFORMATION

Project Name and County City of Novi Sanitary Sewer System Asset Management Plan

A. Legal Name of Applicant City of Novi

The legal name of the applicant may be different from the name of the project. For example, a county may be the legal applicant, while the project may be named for the particular village or township it will serve.

If applicant is not a City/County/Township/Village, provide Authorizing Statute to qualify as a municipality. _____

B. Mailing Address of Applicant

Street, P.O. Box 45175 Ten Mile Road

City, State & Zip Novi, Michigan 48375

County(s) project is located in Oakland

248-348-0454

(Area Code and Telephone Number)

C. Designated Contacts for this Project

1. Authorized Representative (Name below must match the person named in the resolution)

Name Tim Kuhns

Title Water and Sewer Senior Engineer

Street, P.O. Box 26300 Lee BeGole Drive

City, State & Zip Novi, Michigan 48375

248-348-0454 tkuhns@cityofnovi.org

(Area Code and Telephone Number)

(E-mail Address)

2. Applicant's Financial Advisor

Name Keith Parmley

Firm Oakland County Water Resources Commission

Street, P.O. Box No. 1 Public Works Drive

City, State & Zip Waterford, Michigan 48328

248-858-0958 parmleyk@oakgov.com

(Area Code and Telephone Number)

(E-mail Address)

3. Applicant's Consulting Engineer (if applicable)

Name Karyn Stickel, P.E.

Firm Hubbell, Roth, & Clark, Inc.

Street, P.O. Box 555 Hulet Drive, P.O. Box 824

City, State & Zip Bloomfield Hills, Michigan 48303

248-454-6566 kstickel@hrc-engr.com

(Area Code and Telephone Number)

(E-mail Address)

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

4. Primary Contact (if different than authorized representative)

Name Tom Maxwell, P.E. Title WRC Engineer
248-858-0958 maxwellt@oakgov.com
(Area Code and Telephone Number) (E-mail Address)

D. Disclosure of Conditions Requiring Repayment of Grant

The intent of the SAW Grant Program is to accelerate the statewide use of asset management planning practices as well as improve water quality. It is expected that SAW grant wastewater or stormwater recipients will implement the necessary construction for which grant funding was provided for any planning, design, and/or user charge grants. SAW grant recipients for wastewater system asset management plans are required to make significant progress (as defined in Appendix C) on the funding structure. Stormwater Asset Management Plan (AMP) recipients are required to implement the plan (as defined in Appendix C). Stormwater management grant recipients must develop a stormwater management plan. An innovative technology grant recipient must proceed with the project if testing and demonstration show that the water quality issue may be successfully and feasibly addressed with full scale implementation. Consistent with this intent and provisions of Part 52 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended:

“(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided.”

E. Project Need and Proposed Scope of Work

In order to improve water quality, the applicant can seek SAW Grant Program assistance to cover the costs of: 1) planning, design, and/or user charge of a wastewater or stormwater system; 2) asset management for a wastewater and/or stormwater system; 3) a stormwater management plan; and 4) innovative wastewater and stormwater technologies. Details for establishing project need for each of these categories can be found in the appendices.

Describe the specific activities you will fund with SAW grant assistance. Describe the system deficiencies and/or water quality problems you want to evaluate/address: **(Attach additional pages as necessary.)**

The City of Novi intends to use SAW grant funds for the preparation of an Asset Management Plan for the portion of our system which is tributary to the Walled Lake-Novu Wastewater Treatment Plant (WWTP). Project need and detailed scoping are provided on the attached document.

F. Ownership of System Facilities or Assets

Is the legal entity that owns the system facilities or assets described in the proposed scope of work the same as the legal name of the applicant (see Item A)? YES NO

If NO, has the applicant obtained the necessary legal documentation delegating the applicant as an agent of the owner who has the authority for implementing the activities associated with the proposed scope of work at the direction of the owner? (Certification of this legal relationship must be provided prior to the applicant receiving SAW grant assistance. The applicant must have the authority to establish a rate structure necessary to demonstrate significant progress with implementing a wastewater asset management plan if applicable. Note that a rate structure is not required for a stormwater asset management grant.) YES NO

G. Funding Source for Associated Construction (if applicable)

If the proposed scope of work for SAW grant assistance will result in subsequent construction, then identify the anticipated funding source(s) for the construction.

SAW SRF SWQIF Rural Development Other (explain) _____

The applicant intends to seek SAW, SRF, and/or SWQIF loan(s) to construct the proposed project in fiscal year NA (an October 1st to September 30th fiscal year).

If construction financing is anticipated to come from a source other than SAW, SRF and/or SWQIF, identify the proposed construction year(s): NA.

H. SAW Grant Agreement Period

Start date of grant-funded tasks: January 2, 2013 (month/year). May include services rendered on or after January 2, 2013, the effective date of the SAW program legislation.

Estimated date for completion of **all** grant-funded tasks: April 2017 (month/year). Must be completed within 3 years of executed grant.

I. Does this project have an associated SRF/SWQIF loan or S2 grant(s)? If so, indicate the project number(s) below:

S2 Grant Project # _____ **SRF Loan Project #** _____ **SWQIF Loan Project #** _____

J. Is the applicant in receivership? YES NO

Is the applicant operating under an emergency manager or an emergency financial manager appointed under state law? YES NO

Is the applicant operating under a consent agreement as provided under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291?
 YES NO

If a disadvantaged community status determination is being requested, then complete and submit the worksheet in Appendix F. Communities considered disadvantaged by the DEQ can be awarded up to \$500,000 in grant funds to construct projects identified in an asset management plan.

K. Project Cost Worksheet

Read the instructions below before completing the Project Cost Worksheet.

Grant Budget Item	Incurred Project Costs A	Estimated Project Costs B	Cost Supporting Documents Attached?	Total Project Costs A+B
1. Project Planning Costs			<input type="checkbox"/> YES	
2. Design Engineering Costs			<input type="checkbox"/> YES	
3. User Charge System Development Costs			<input type="checkbox"/> YES	
4. Wastewater Asset Management Plan Costs		\$750,000	<input checked="" type="checkbox"/> YES	\$750,000
5. Stormwater Asset Management Plan Costs			<input type="checkbox"/> YES	
6. Stormwater Management Plan Costs			<input type="checkbox"/> YES	
7. Innovative Wastewater and Stormwater Technology Costs			<input type="checkbox"/> YES	
8. Disadvantaged Community Construction Cost			<input type="checkbox"/> YES	
9. Cost Subtotal				\$750,000
10. LESS Local Match				\$75,000
11. Requested SAW Grant Amount (Line 9 minus Line 10)				\$675,000

1. Entering Cost Figures

To complete the Project Cost Worksheet, enter costs incurred to date in the first column and estimated costs in the second column. **Use whole dollar amounts for all entries.** A budget line item may have costs entered in each column; however, the entries must accurately reflect the division between incurred costs and estimated (i.e., the costs in the second column must not be a cumulative total but are to represent the balance of costs not yet incurred).

2. Supporting Documentation

Documentation must be attached to your application to support the costs included on the Project Cost Worksheet: Validate by checking the box in the third column on each requested line item.

- For incurred costs, adequate supporting documentation means executed contract; an invoice; proof of billing or payment for each cost for which grant assistance is being sought (e.g., copies of the monthly invoices from your consulting engineer, timesheet/payroll records showing hours worked and work performed).
- For estimated costs, adequate supporting documentation means an engineer's estimate; a letter, or email from a vendor detailing the services to be rendered and their costs; or a ledger of anticipated billable force account hours, employee rates, and classifications.

3. Executed Contracts (required for reimbursement, not required for grant application)

A contract between the applicant and the vendor must be executed for each service that has been or is to be rendered if the cost of such service is greater than \$50,000. An executed

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

copy of each contract, with a clear identification of the scope of the service(s) and a contract period, must be submitted prior to reimbursements of costs.

4. Line-By-Line Completion Guidance

In addition to the costs described below, costs eligible for SAW grant assistance include: those incurred for services rendered on or after January 2, 2013; for services to prepare this grant application; and for activities performed by the applicant's employees that are directly related to the project. These incurred costs or cost estimates should be placed under the applicable budget lines.

Line 1 – Project Planning Costs

The costs associated with project planning activities and preparation of required planning documents. Refer to Appendix A or B.

Line 2 – Design Engineering Costs

The costs associated with engineering design and preparation of design required documents. Bidding phase services, including construction staking, are not eligible for SAW grant assistance. Refer to Appendix A or B.

Line 3 – User Charge System Development Costs

The costs associated with developing or updating the applicant's system of rates and user charges to cover the costs of project construction, operation, and maintenance as part of a planning or design grant. The costs to develop, amend, and pass sewer use ordinances, and prepare or revise intermunicipal service agreements necessary for construction of the proposed project are also eligible for reimbursement. Refer to Appendix A or B.

Line 4 – Wastewater Asset Management Plan Costs

The costs associated with developing a wastewater asset management plan. Only those components addressing wastewater assets are eligible (e.g., costs associated with conducting an asset inventory of other utilities cannot be included). Refer to Appendix C.

Line 5 – Stormwater Asset Management Plan Costs

The costs associated with the development of a stormwater asset management plan. SAW grant assistance is available for the development of an asset management plan for both open and enclosed storm sewer systems. Open drainage systems that are deemed surface waters of the state are not eligible for assistance to develop a stormwater asset management plan. Refer to Appendix C.

Line 6 – Stormwater Management Plan Costs

The costs associated with the development of a stormwater management plan. SAW grant assistance is available for the development of plans intended to address water quality problems from MS4 permitted stormwater systems and unpermitted stormwater runoff and nonpoint sources of pollution. Refer to the Stormwater Management Plan guidance and Appendix D for information on eligible plans and planning activities.

Line 7 – Innovative Wastewater and Stormwater Technology Costs

The costs associated with testing and demonstrating the practical use of technology to address a water quality issue. The cost of the technology is not eligible for SAW grant assistance. Refer to Appendix E.

Line 8 – Disadvantaged Community Construction Cost

The construction costs associated with a project identified in an asset management plan. The costs cannot exceed \$500,000. This is only available to communities identified as “disadvantaged.” See Appendix F.

Line 10 – Required Local Match

SAW grant assistance is limited to \$2 million per community with a 10-percent local match for the first million and a 25-percent local match for the second million. Applicants who responded “Yes” to any of the questions under Section J of this application or whose community status is determined as disadvantaged by the DEQ are not required to provide a local match.

L. Covenants and Certifications

The applicant must abide by all of the covenants and certifications enumerated below:

1. The applicant has the legal, managerial, institutional, and financial capability to plan, design, and build the project, or cause the project to be built, and cause all facilities eventually constructed to be adequately operated.
2. The applicant certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the project, the prospects for its completion, or the applicant's ability to make timely repayments of the grant if the project does not proceed.
3. The applicant agrees to provide the local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.
4. The applicant agrees to maintain complete books and records relating to the grant and financial affairs of the project in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS).
5. The applicant agrees that all municipal contracts related to the project will provide that the prime contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.
6. The applicant agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners, or agents with which the applicant negotiates an agreement.
7. The applicant agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years and that if litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.
8. The applicant agrees to ensure that planning and design activities of the project are conducted in compliance with the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended; its Administrative Rules; and all applicable state laws, executive orders, regulations, policies, and procedures.
9. The applicant acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

I certify that I am the authorized representative designated by the municipality, as defined by Section 324.5301(i) of Part 53 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, that will receive the grant for this project and that the application information being submitted is complete and accurate to the best of my knowledge.

I further certify that City of Novi (legal name of applicant) agrees to and will abide by the covenants and certifications stipulated above.

Tim Kuhns, Senior Water and Sewer Engineer
Name and Title of Authorized Representative (Please Print or Type)

Signature of Authorized Representative (Original Signature Required) Date

Required Documents

The following documents must be submitted with this application. This grant application will be deemed incomplete if the required documents are not attached.

- (1) Authorizing Resolution. An adopted and certified copy of the attached standard resolution, **including the SAW Grant Agreement boilerplate marked SAMPLE**, must be attached.
- (2) Application Information. The proposed scope of work must be supported by the additional information required under Section E on page 3.
- (3) Cost Support Documentation. All requested costs must be supported with documentation consistent with the instructions on pages 5-7.
- (4) All of the required information listed in each of the applicable appendices must be provided.

Please return the application and the specified attachments to:

REVOLVING LOAN SECTION
OFFICE OF DRINKING WATER AND MUNICIPAL ASSISTANCE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

MAILING ADDRESS
P.O. BOX 30241
LANSING MI 48909-7741

SURFACE DELIVERY ADDRESS
CONSTITUTION HALL, 4TH FLOOR SOUTH
525 W ALLEGANS ST
LANSING MI 48933

Grant Application Received By:	Can Expect A Grant Award In:*
July 1	October
October 1	January
January 1	April
April 1	July

*A hard copy of the grant application must be submitted to the DEQ. Grant application may be submitted at any time beginning December 2, 2013. Grant awards will be issued quarterly based upon the date an application is administratively complete, until available SAW funding has been exhausted.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

**Please Use the Attached Resolution “As Is”
(Do Not Substitute Your Own Form)**

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

City _____ of Novi _____
County of Oakland _____

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the City Council _____ of the City _____
of Novi _____ County of Oakland _____, State of Michigan, (the
“Municipality”) held on _____.

PRESENT: Members: _____

ABSENT: Members: _____

Member _____ offered and moved the adoption of the following resolution,
seconded by Member _____ .

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and
Environmental Protection Act, 1994 PA 451, as amended (“Part 52”), provides at MCL
324.5204e that the Michigan Finance Authority (the “MFA”) in consultation with the Michigan
Department of Environmental Quality (the “DEQ”) shall establish a strategic water quality
initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to
municipalities for sewage collection and treatment systems or storm water or nonpoint source
pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other
applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient
shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality
to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to establish a(n) (*select one or
more*) asset management plan, stormwater management plan, plan for wastewater/
stormwater, design of wastewater/stormwater, innovative technology, or for
disadvantaged community construction activities (up to \$500,000).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate
principal amount not to exceed \$750,000 _____ (“Grant”) be requested from the MFA
and the DEQ to pay for the planning and/or design activities; and

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY
OTHER FORMAT.

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Senior Water and Sewer Engineer _____ (*title of the designee's position*), a position currently held by Tim Kuhns _____ (*name of the designee*), is designated as the Authorized Representative for purposes of the SAW Grant Agreement.

2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.

3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.

4. The Grant, if repayable, shall be a first budget obligation from the general funds of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.

5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.

6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.

7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.

8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

YEAS: Members:

NAYS: Members:

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the _____ of the _____ of _____, County of _____, said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Name
_____ of _____, Clerk
_____ of _____ County of _____



Michigan Finance Authority

Stormwater, Asset Management, and Wastewater (SAW)

GRANT AGREEMENT

This Grant Agreement ("Agreement") is made as of _____ 20____, among the Michigan Department of Environmental Quality, Office of Drinking Water and Municipal Assistance (the "DEQ"), the Michigan Finance Authority (the "Authority") (the DEQ and the Authority are, collectively, the "State") and the _____, County of _____ ("Grantee") in consideration for providing grant assistance to the Grantee.

The purpose of this Agreement is to provide funding for the project named below. The State is authorized to provide grant assistance pursuant to the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Legislative appropriation of funds for grant disclosure is set forth in 2013 Public Act 59.

The Grantee shall be required to repay the grant made under this Agreement (the "Grant"), within 90 days of being informed by the State to do so, under certain conditions, as set forth in Section XVIII. Program Specific Requirements: SAW Grant.

Award of a Grant under this Agreement and completion of the activities identified in Exhibit A does not guarantee loan assistance from the State Revolving Fund, Strategic Water Quality Initiatives Fund, or Stormwater, Asset Management or Wastewater.

GRANTEE INFORMATION:

Name/Title of Authorized Representative

Address

Address

Telephone number

E-mail address

GRANT INFORMATION:

Project Name: _____
Project #: _____
Amount of Grant: \$ _____
Amount of Match \$ _____
Project Total \$ _____ (grant plus match)
Start Date: _____ End Date: _____

DEQ REPRESENTATIVE:

Name/Title

Address

Address

Telephone number

E-mail address

AUTHORITY REPRESENTATIVE:

Name/Title

Address

Address

Telephone number

E-mail address

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

The individuals signing below certify by their signatures that they are authorized to sign this Grant Agreement on behalf of their respective parties, and that the parties will fulfill the terms of this Agreement, including the attached Exhibit A, and use this Grant only as set forth in this Agreement.

GRANTEE

Signature of Grantee

Date

Name and title (typed or printed)

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Its Authorized Officer

Date

MICHIGAN FINANCE AUTHORITY

Its Authorized Officer

Date

I. PROJECT SCOPE

This Agreement shall be in addition to any other contractual undertaking by the Grantee contained in the Resolution authorizing the Grant (the "Resolution").

This Agreement, including its exhibit(s), constitutes the entire agreement between the DEQ, the Authority, and the Grantee.

- (A) The scope of this Grant is limited to the activities specified in Exhibit A (the "Project"), and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.
- (B) By acceptance of this Agreement, the Grantee commits to complete the Project identified in Exhibit A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

II. AGREEMENT PERIOD

This Agreement shall take effect on the date that it has been signed by all parties (the "Effective Date"). The Grantee shall complete the Project in accordance with all the terms and conditions specified in this Agreement no later than the End Date shown on page one. **Only costs incurred on or after January 2, 2013 and between the Start Date and the End Date shall be eligible for payment under this Grant.**

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

III. CHANGES

Any decreases in the amount of the Grantee's compensation, significant changes to the Project, or extension of the End Date, shall be requested by the Grantee in writing, and approved in writing by the State in advance. The State reserves the right to deny requests for changes to the Agreement including its Exhibit A. No changes can be implemented without approval by the State.

IV. GRANTEE PAYMENTS AND REPORTING REQUIREMENTS

The Grantee shall meet the reporting requirements specified in Section XVIII of this Agreement.

V. GRANTEE RESPONSIBILITIES

- (A) The Grantee agrees to abide by all local, state, and federal laws, rules, ordinances and regulations in the performance of this Grant.
- (B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this Grant is not a guarantee of permit approval by the state.
- (C) The Grantee shall be solely responsible to pay all taxes, if any, that arise from the Grantee's receipt of this Grant.
- (D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services furnished by its subcontractors under this Agreement. The State will consider the Grantee to be the sole point of contact concerning contractual matters, including payment resulting from this Grant. The Grantee or its subcontractor shall, without additional grant award, correct or revise any errors, omissions, or other deficiencies in designs, drawings, specifications, reports, or other services.
- (E) The DEQ's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The DEQ's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
- (F) The Grantee acknowledges that it is a crime to knowingly and willfully file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the Grant.

VI. ASSIGNABILITY

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

VII. NON-DISCRIMINATION

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

VIII. UNFAIR LABOR PRACTICES

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq*.

IX. LIABILITY

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, any subcontractor, or anyone employed by the Grantee.

(B) All liability as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the State in the performance of this Agreement is the responsibility of the State and not the responsibility of the Grantee if the liability is materially caused by any State employee or agent.

(C) In the event that liability arises as a result of activities conducted jointly by the Grantee and the State in fulfillment of their responsibilities under this Agreement, such liability is held by the Grantee and the State in relation to each party's responsibilities under these joint activities.

(D) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

X. CONFLICT OF INTEREST

No government employee or member of the legislative, judicial, or executive branches or member of the Grantee's governing body, its employees, partner, agencies or their families shall have benefit financially from any part of this Agreement.

XI. AUDIT AND ACCESS TO RECORDS

See Section XVIII (C).

XII. INSURANCE

(A) The Grantee shall maintain insurance or self insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement or from the actions of others for whom the Grantee may be held liable.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

- (B) The Grantee must comply with applicant workers' compensation laws while engaging in activities authorized under this Agreement.

XIII. OTHER SOURCES OF FUNDING

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement shall not be financed by any source other than the State under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings or to immediately refund to the State, the total amount representing such duplication of funding.

XIV. COMPENSATION

- (A) A breakdown of Project costs covered under this Agreement is identified in Exhibit A. The State will pay the Grantee a total amount not to exceed the amount on page one of this Agreement, in accordance with Exhibit A, and only for expenses incurred. All other costs over and above the Grant amount, necessary to complete the Project, are the sole responsibility of the Grantee.
- (B) The Grantee is committed to the match amount on page one of this Agreement, in accordance with Exhibit A. The Grantee shall expend all local match committed to the Project by the End Date of this Agreement.
- (C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.
- (D) The State reserves the right to request additional information necessary to substantiate payment requests.

XV. CLOSEOUT

- (A) A determination of Project completion shall be made by the DEQ after the Grantee has met any match obligations and satisfactorily completed the activities and provided products and deliverables described in Exhibit A.
- (B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.
- (C) The Grantee shall immediately refund to the State any payments or funds in excess of the costs allowed by this Agreement.

XVI. CANCELLATION

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, or other lack of funding upon request by Grantee or upon mutual agreement by the State and Grantee. The State reserves the right to provide just and equitable compensation to the Grantee for all satisfactory work completed under this Agreement.

XVII. TERMINATION

(A) This Agreement may also be terminated by the State for any of the following reasons upon 30 days written notice to the Grantee:

(1) If the Grantee fails to comply with the terms and conditions of the Agreement or with the requirements of the authorizing legislation cited on page 1 or the rules promulgated thereunder, or with other applicable law or rules.

(2) If the Grantee knowingly and willfully presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.

(3) If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.

(4) During the 30-day written notice period, the State shall also withhold payment for any findings under subparagraphs 1 through 3, above.

(5) If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.

(B) The State may immediately terminate this Agreement without further liability if the Grantee, or any agent of the Grantee, or any agent of any subagreement, is:

(1) Convicted of a criminal offense incident to the application for or performance of a state, public, or private contract or subcontract;

(2) Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;

(3) Convicted under state or federal antitrust statutes;

(4) Convicted of any other criminal offense which, in the sole discretion of the State, reflects on the Grantee's business integrity; or

(C) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

XVIII. PROGRAM-SPECIFIC REQUIREMENTS: SAW REPAYABLE GRANT

(A) General Representations. The Grantee represents and warrants to, and agrees with, the Authority and DEQ, as of the date hereof as follows:

(1) Grant funds shall be expended only to cover costs for the development of an Asset Management Plan, Stormwater Management Plan, innovative wastewater or stormwater technology, construction costs for disadvantaged communities, or for planning, design and user charge development.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

(2) Grant funds used for administrative activities or activities performed by municipal employees shall be limited to work that is directly related to the Project and is conducted by employees of the Grantee.

(3) The Grantee has full legal right, power and authority to execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Resolution, and any and all other agreements relating thereto. The Grantee has duly authorized and approved the execution and delivery of this Agreement, the performance by the Grantee of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(4) The Resolution has been duly adopted by the Grantee, acting through its executive(s) or governing body, is in full force and effect as of the date hereof, and is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(5) The execution and delivery of this Agreement by the Grantee, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Grantee a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Grantee is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Grant, or result in a default or lien on any assets of the Grantee. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Grantee under the Resolution or this Agreement.

(6) No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Grantee of the Resolution, or execution and delivery by the Grantee of this Agreement which has not already been obtained, nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

(7) Proceeds of the Grant will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution and Exhibit A or (ii) to reimburse the Grantee for a portion of the cost of the Project. The Grantee will expend the proceeds of each disbursement of the Grant for the governmental purpose for which the Grant was issued.

(8) The attached Exhibit A contains a summary of the estimated cost of the Project, which the Grantee certifies is a reasonable and accurate estimate.

(9) The Grantee reasonably expects (i) to fulfill all conditions set forth in this Agreement to receive and to keep the Grant, and (ii) that no event will occur as set forth in this Agreement which will require the Grantee to repay the Grant.

(B) Repayment of Grant. The Grantee shall repay the Grant, within 90 days of being informed to do so, with interest calculated from the date Grant funds are first drawn at a rate not to exceed 8% per year, to be determined by the Authority, to the Authority for deposit into the SWQIF.

“(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided.”

SAW grant recipients for wastewater system asset management plans are required to make significant progress on the funding structure. Significant progress is defined as a 5-year plan to eliminated the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years. Asset management plans for stormwater systems are to be implemented. Stormwater management grant recipients must develop a stormwater management plan. Innovative project grant recipients must proceed with full implementation or certify that the project is not financially or technically feasible.

(C) Covenants and Certifications.

(1) The Grantee has the legal, managerial, institutional, and financial capability to plan, design, and build the Project, or cause the Project to be built, and cause all facilities eventually constructed to be adequately operated.

(2) The Grantee certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Grantee's ability to make timely repayments of the grant if any of the two (2) conditions identified under Section XVIII(B) occur.

(3) The Grantee agrees to provide the minimum appropriate local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.

(4) The Grantee agrees to maintain complete books and records relating to the grant and financial affairs of the Project in accordance with generally accepted accounting principles ("GAAP") and generally accepted government auditing standards ("GAGAS").

(5) The Grantee agrees that all municipal contracts related to the Project will provide that the contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.

(6) The Grantee agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the Project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners or agents with which the applicant negotiates an agreement.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

(7) The Grantee agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years after satisfactory completion of the Project and final payment. If litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.

(8) The Grantee agrees to ensure that planning and design activities of the Project are conducted in compliance with the requirements of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, its Administrative Rules; and all applicable state and federal laws, executive orders, regulations, policies, and procedures.

(9) The Grantee agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to satisfy the program requirements as identified under Section XVIII(B) within three years of award of the SAW Grant from the Strategic Water Quality Initiatives Fund in accordance with Section 5204(e) of the Natural Resources and Environmental Protection Act 1994, PA 451, as amended.

(10) The Grantee acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

(D) Grantee Reimbursements and Deliverables

The Grantee may request grant disbursements no more frequently than monthly, using the Disbursement Request Form provided by the DEQ. Upon receipt of a disbursement request, the DEQ will notify the Authority, which will in turn disburse grant funds equal to 75 percent, 90 percent, or 100 percent of eligible costs, whichever percentage is applicable, that have been adequately documented. The forms provided by the State will include instructions on their use and shall be submitted to the DEQ representative at the address on page 1. All required supporting documentation (invoices) for expenses must be included with the disbursement request form. The Grantee is responsible for the final submittal of all documents prepared under this Grant and included in the Project Scope identified in Exhibit A.

(E) Miscellaneous Provisions.

(1) Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan.

(2) Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

(3) Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

XIX. USE OF MATERIAL

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the DEQ funded all or a portion of its development.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

XX. SUBCONTRACTS

The State reserves the right to deny the use of any consultant, contractor, associate or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

XXI. ANTI-LOBBYING

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying" means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

XXII. IRAN SANCTIONS ACT

By signing this Agreement, the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses as outlined in Michigan Compiled Law 129.312

XXIII. DEBARMENT AND SUSPENSION

By signing this Agreement, the Grantee certifies to the best of its knowledge and belief that it, its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a 3-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

Project No. _____

SAW Grant Program

Exhibit A

Grantee: _____

Project Name: _____

DEQ Approved Grant Amount: \$ _____; _____
_____ Dollars

Time Period for Eligible Costs: Start Date _____ (month/year)

End Date _____ (month/year)

Description of Approved Project Scope:

DEQ Approved Project Costs	
1. Project Planning Costs	
2. Design Engineering Costs	
3. User Charge Development Costs	
4. Wastewater Asset Management Plan Costs	
5. Stormwater Asset Management Plan Costs	
6. Stormwater Management Plan Costs	
7. Innovative Wastewater and Stormwater Technology Costs	
8. Disadvantaged Community Construction Cost	
9. Cost Subtotal	
10. LESS Local Match	
11. Requested SAW Grant Amount (Line 9 minus Line 10)	

The following services have been determined to be ineligible for SAW Grant assistance, for the reasons listed, and have been excluded from the approved project costs shown above:

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

APPENDIX A

Wastewater Planning and Design Activities

Note: User Charge Development Costs can be included in either a planning or design grant.

Planning Grant Requirements

Applicants intending to fund projects through USDA Rural Development are required to develop a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to develop a project proposal in accordance with the guidance below.

Applicants intending to fund projects through an SRF or SWQIF loan are required to develop a project plan in accordance with the Project Plan Preparation Guidance (http://www.michigan.gov/documents/deq/deq-ess-mfs-formsguidance-SRFppsguide_249032_7.dot).

Design Grant Requirements

All applicants are required to develop and submit plans and specifications suitable for bidding.

Applicants intending to fund projects through USDA Rural Development are required to submit a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to submit an approvable project proposal in accordance with the guidance below. If seeking a SAW loan, the project proposal should reference an asset management plan.

Applicants intending to fund projects through an SRF or SWQIF loan are required to submit an approvable Project Plan.

Project Proposal

Below are the minimum requirements for a project proposal.

1. Study Area Identification and Description

- a. Cover the geographic area served by or affected by the proposed project. For example, for a nonpoint source (NPS) project that is replacing an asphalt mall parking lot with porous pavers, the study area should encompass, at least, the parking lot, mall, and properties that abut the parking lot.
- b. Population Data – include if relevant (e.g., needed when discussing asset management associated with future needs that would be based on population projections).
- c. Environmental Setting – include description of environmental features relevant to project’s geographical area and project construction activities. Include a map.
 - If present, identify wetlands, floodplains, natural/wild scenic rivers surface waters, parks, agriculture land, and endangered/threatened species. A Michigan Natural Features Inventory review should be conducted unless the applicant can show that construction is limited to a developed area.
- d. Do NOT include land use and economic characteristics, unless relevant to the project.

2. Existing Facilities

Should be described to the extent that existing facilities are included in the project or will be affected by the project.

3. Project Need

Describe in detail the need for the project, as well as any relevant permit compliance issues and water quality problems. Facility or project needs should be evaluated for a time period equal to the service life of the proposed project (i.e., the proposal should evaluate needs for a timeframe long enough so that the proposed project doesn’t become ineffective after only a few years or before the loan has been paid).

4. Description of Project Options Considered

Provide a description of the options considered to address the proposed project including a brief description of the costs and potential environmental impacts.

5. Proposed Project

Provide a detailed description of the proposed project including cost estimates and a construction schedule, as well as maps and/or diagrams.

6. Evaluation of Environmental Impacts

Discuss impacts from project construction and operation. Include a description of measures to mitigate impacts and the beneficial impacts.

GUIDANCE FOR APPENDIX A

Grant Eligible

Planning

- Costs associated with the development of a SAW loan project proposal, SRF/SWQIF project plan, or other similar planning documents.
- Equipment and services for the purchase, installation, and operation of flow meters necessary for an infiltration and inflow (I/I) analysis.
- Costs to prepare an eligible SAW grant application, including force account work.
- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.

Design

- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.
- Costs of preparing a basis of design, value engineering services, and preparation of plans and specifications. Any design-related service required to obtain the construction permit. This includes easement-related services for property surveys and easement descriptions.

User Charge System Development Costs

- The costs associated with developing or updating the applicant's system of rates and user charges to cover the costs of project construction, operation, and maintenance.
- The costs to develop, amend, and pass sewer use ordinances, and prepare or revise intermunicipal service agreements, or rate methodologies that are necessary for construction of the proposed project.

Grant Ineligible

Planning and Design

- Purchase price and associated costs to acquire land/easements such as appraisals, title searches, easement agreement preparation, legal notices, and closing costs.
- Bidding phase services, including construction staking.

APPENDIX B

Planning and/or Design of Stormwater and/or Nonpoint Source of Water Pollution

Required Information

SAW grant assistance for stormwater and/or NPS projects must address a water quality problem. If the project is identified in one of the following documents, please submit the document with the application unless it has already been submitted to the DEQ for review and approval. (If the document has been submitted to the DEQ for review, please provide the name of the DEQ staff member in receipt of the document.)

- An approved 319/CMI NPS watershed plan
- A Municipal Separate Storm Sewer System (MS4) permit (if the proposed project is required under the permit, then attach an explanation to this application)
- An approved Total Maximum Daily Load (attach an explanation to this application)
- A SAW stormwater management plan

Planning Grant Requirements

Applicants intending to fund projects through USDA Rural Development are required to develop a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to develop a project proposal in accordance to the guidance in Appendix A.

Applicants intending to fund projects through an SRF or SWQIF loan are required to develop a project plan in accordance with the Project Plan Preparation Guidance (http://www.michigan.gov/documents/deq/deq-ess-mfs-formsguidance-SRFppsguide_249032_7.dot).

Design Grant Requirements

All applicants are required to develop and submit plans and specifications suitable for bidding.

Applicants intending to fund projects through USDA Rural Development are required to submit a Preliminary Engineering Report and an Environmental Report per Rural Development guidelines.

Applicants intending to fund projects through a SAW loan or other funding source are required to submit an approvable project proposal in accordance with the guidance in Appendix A.

Applicants intending to fund projects through an SRF or SWQIF loan are required to submit an approvable project plan.

GUIDANCE FOR APPENDIX B

Grant Eligible

Planning

- Costs associated with the development of a SAW loan project proposal, SRF/SWQIF project plan, or other similar planning documents.
- Equipment and services for the purchase, installation, and operation of flow meters for a hydrological study of a storm sewer system or a watershed.
- Costs to prepare an eligible SAW grant application, including force account work.
- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.

Design

- Force account costs. The maximum rate for fringe benefits of force account costs is 40 percent of salary.
- Costs of preparing a basis of design, design and preparation for construction permit(s), value engineering services, and preparation of plans and specifications. This includes easement-related services for property surveys and easement descriptions.

User Charge System Development Costs

- The costs associated with developing or updating the applicant's system of rates and user charges to cover the costs of project construction, operation, and maintenance.
- The costs to develop, amend, and pass sewer use ordinances, and prepare or revise intermunicipal service agreements, or rate methodologies that are necessary for construction of the proposed project.

Grant Ineligible

Planning and Design

- Post-construction monitoring of stormwater best management practices (BMP) performance to determine effectiveness.
- Purchase price and associated costs to acquire land/easements such as appraisals, title searches, easement agreement preparation, legal notices, and closing costs.
- Bidding phase services, including construction staking.

APPENDIX C
Asset Management Plan for Stormwater and Wastewater

A. Proposed Scope of Work

Applicants can seek AMP grant assistance to cover the costs of the asset management plan development and implementation for wastewater and stormwater systems. This includes a complete inventory of all existing system assets. If the condition of the asset is not known, a reasonable assumption is acceptable. Cleaning and televising of the entire system is not expected.

If the wastewater AMP identifies a gap in the current revenue needs to meet expenses, then significant progress must be made toward achieving the funding structure necessary to operate the system. If no gap is identified, the applicant has fulfilled the significant progress requirement. Significant progress is defined as a 5-year plan to eliminate the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years and submit a copy of the 5-year plan with the certification.

The stormwater AMP must be implemented within three years of the executed grant. The applicant is required to submit the Stormwater AMP Certification of Project Completeness within three years of the executed grant.

Describe the specific activities you will fund with the AMP grant assistance. Attach additional pages as necessary:

Please see attached scoping document _____

B. Describe your current asset management plan as applicable:

Please see attached scoping document _____

Provide the percentage of tasks completed and describe each asset management component of your current asset management plan

- | | |
|-----------------------------------------------------------------|-----|
| 1. Asset Inventory and Condition Assessment – | 75% |
| 2. Level of Service | 75% |
| 3. Criticality of Assets | 25% |
| 4. Operation and Maintenance (O&M) Strategies/Revenue Structure | 75% |
| 5. Long-term Funding/Capital Improvement Planning | 25% |

C. Revenue Structure (for wastewater only)

Attach a copy of the current rates. It is expected that the applicant will submit an updated copy of the rate methodology within 2 ½ years of the executed grant to the DEQ.

Current rates are attached.

If the applicant currently does not have a rate methodology, the asset management plan must include the development of a funding structure and rate methodology that provides sufficient resources to implement the asset management plan.

Is the applicant part of a regional facility? YES NO

D. Cross-Sectoring

Section 2504 e (2)(i) states that “The municipality shall coordinate, as feasible, with other infrastructure activities in the same geographic area.” Asset management encourages cross-sector utilization (for water utility, roads, gas, phones, etc.); however grant assistance may only be requested for those costs directly related to the requested asset management grant.

If cross-sectoring occurs, describe how SAW costs will be tracked.

Please see attached scoping document

E. Project Cost Worksheet

Carefully read the guidance below before completing the Project Cost Worksheet.

Item	Incurred Costs	Force Account Costs	Estimated Costs	Supporting Documents	Total
Inventory		\$5,000	\$25,000	Y N	\$30,000
Condition assessment (excluding televising)		\$30,000	\$180,000	Y N	\$210,000
Metering/modeling				Y N	
AM/GIS Software*				Y N	
AM/GIS Training*				Y N	
AM/GIS Hardware*				Y N	
Cleaning & Televising Contracted costs Equip. rental costs Labor costs		\$20,000	\$330,000* All contracted costs	Y N	\$50,000
Level of Service Service agreement development Public meeting cost Ordinance cost		\$5,000	\$10,000	Y N	\$15,000
Training/certification For PACP For MACP				Y N	
Rate Structure Development costs		\$5,000	\$45,000	Y N	\$50,000
Other		\$10,000	\$85,000	Y N	\$95,000

*Indicates items included in the cost limitations for software, hardware, and training as described in the Guidance below.

F. National Pollutant Discharge Elimination System (NPDES) Permits for Municipal Wastewater Systems Only (Not Stormwater)

Do you currently hold a NPDES permit to cover discharges from your wastewater system?
 YES NO

If Yes, what is the permit number? NA

If you have a NPDES permit, does it currently contain an asset management requirement?
 YES NO

Note: For all NPDES permit holders, the applicant acknowledges that acceptance of a SAW wastewater asset management grant will result in an asset management condition in the next reissued NPDES permit. The asset management plan developed must meet NPDES permit requirements. The NPDES permit language can be found at: www.michigan.gov/cleanwaterrevolvingfund (select Forms and Guidance).

GUIDANCE FOR APPENDIX C

Grant Eligible

- AMP/Geographic Information System (GIS) mapping software/hardware/training. Total limits are as follows:

Service Area Population	Dollar Limit
Less than or equal to 5,000	\$60,000
5,001 to less than or equal to 20,000	\$85,000
20,001 to less than or equal to 50,000	\$110,000
Greater than 50,000	\$160,000

Note: Attach justification when assistance is sought for an applicant with an existing GIS system or for when an exception is being made to the above dollar limits.

- Asset condition assessment (manhole inventory, cleaning and televising)
 - All televising and documentation must be completed in accordance with National Association of Sewer Service Companies (NASSCO) Pipeline Assessment and Certification Program/Manhole Assessment Certification Program (PACP/MACP) requirements and by PACP/MACP certified personnel.
 - ***Equipment rental costs for force account work of cleaning and televising equipment owned by the applicant will be reimbursed at rates no greater than those provided in an informal quote on a per foot basis.***
 - A justification is needed to clean and televise sewers installed or relined within the last 20 years. The limit is to encourage communities to focus on sewers installed or relined prior to 1993.
- Force account costs associated with the direct implementation of the AMP/GIS software and hardware. The maximum rate for fringe costs is 40 percent of salary.
- The technical, legal, and financial costs to develop a funding structure and implementation schedule necessary to implement an AMP, or portion thereof. These tasks include those costs associated with the preparation or amendment of sewer use and rate ordinances, stormwater

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

management ordinances, policies and design standards, preparation or revision of inter-municipal service agreements, and submittal of the proposed budgets and rate methodologies.

- Any specific tasks named as a condition of an NPDES permit not identified elsewhere in this guidance, such as mapping without GIS, a fixed asset inventory, a business risk evaluation, an annual report of operation, maintenance, and replacement (OM&R)/AMP activities, etc.
- Aerial data collection at the 12-inch resolution when it is purchased from the county or obtained from the state (for GIS purposes only).
- The development of a stormwater funding structure is not required; however, an analysis of costs to maintain the system and to support the asset management program must be included.
- Stormwater utility development costs.
- Level of service may include service agreement development, public meeting costs, and ordinance costs.

Grant Ineligible

- Annual license renewals to an existing GIS system.
- Legal fees to defend the rate structure if challenged.

APPENDIX D

Stormwater Management Plan

The SAW grant program is available to applicants who wish to acquire funding for the development of Stormwater Management Plans. Under the SAW program, a Stormwater Management Plan is broadly defined to include those documents listed in the below checklist. Applicants are encouraged to review the webpages associated with each document to determine which Stormwater Management Plan best fits their planning needs for the treatment of stormwater. Applicants should also review the Stormwater Management Plan guidance document.

For those applicants applying for a SAW grant for the development of a Stormwater Management Plan, indicate below which type of document will be generated using grant funding. Include a description and a map of the planning area, as well as a description of water quality problems that will be addressed with the Stormwater Management Plan.

- Municipal Separate Storm Sewer System (MS4) Stormwater Management Program (see www.mi.gov/deqstormwater). An MS4 Stormwater Management Program addresses the effects of urbanization on the water quality of surface waters of the state. Please choose one of the following:
- Applicant currently has National Pollutant Discharge Elimination System (NPDES) MS4 permit coverage
 - Applicant will be a new NPDES MS4 permittee

Applicants applying for a SAW grant for one of the following Stormwater Management Plans, shall also include as part of the application the percentage of land uses in the planning area.

- NPS Watershed Management Plan (See the “Developing an Approved Watershed Management Plan” www.mi.gov/nps). The description of water quality problems must include the following:
- A description of the watershed and watershed boundary and the hydrologic unit code.
 - A description of the current water quality conditions, and the needs/problems to be addressed with the proposed project. List or discuss all 303(d) listed water bodies and include the Assessment Unit ID (See the [2012 Integrated Report](#), Appendix B).
 - A list of the pollutants the NPS Watershed Management Plan will target. The list shall include pollutants listed in the [2012 Integrated Report](#) for Michigan (See Appendix B of the report) as causing designated use impairments in the watershed where NPS pollution is a contributor to the water quality impairment. The list should also include pollutants important at the local level and the rationale for the listing.

- SAW Stormwater Management Plan

Stormwater Management Plan

The SAW grant program is available to applicants who wish to acquire funding for the development of Stormwater Management Plans and the design of projects contained or described within a Stormwater Management Plan. Under the SAW program, a Stormwater Management Plan is broadly defined to include:

- Municipal Separate Storm Sewer System (MS4) Stormwater Management Plan (See the MS4 at www.mi.gov/deqstormwater)
- NPS Watershed Management Plan (See the “Developing an Approved Watershed Management Plan” at www.mi.gov/nps)
- SAW Stormwater Management Plan (See the SAW Stormwater Management Plan on page 22)

Development of a Stormwater Management Plan

MS4 Stormwater Management Plan

Permittees required to develop an MS4 Stormwater Management Plan (SWMP) are municipal agencies, such as cities, townships, villages, county agencies, and school districts located in a census defined urbanized area with a discharge of stormwater to surface waters of the state. The existing NPDES MS4 individual permit application is structured such that by completing the application, an MS4 SWMP is produced. The best management practices (BMP) included in the MS4 SWMP shall be designed to reduce the discharge of pollutants from the MS4 to the maximum extent practicable.

For those applicants who are developing a new MS4 SWMP, the development of the entire MS4 SWMP is eligible for SAW grant funding. An applicant who already has an approved MS4 SWMP or Stormwater Pollution Prevention Initiative (SWPPI) in place can receive funding to update the SWMP/SWPPI. An approved MS4 SWMP includes the following minimum requirements:

1. BMPs to be implemented to meet the following six minimum control measures (a– f) and applicable water quality requirements (g)
 - a. Public Participation/Involvement Program
 - b. Public Education Program
 - c. Illicit Discharge Elimination Program
 - d. Construction Stormwater Runoff Control Program
 - e. Post-Construction Stormwater Runoff Program
 - f. Pollution Prevention and Good Housekeeping Program
 - g. Total Maximum Daily Loads (TMDL) Implementation Plan (This water quality requirement applies to a regulated MS4 that discharges stormwater to impaired waters with an approved TMDL that includes a pollutant load allocation assigned to the regulated MS4.)
2. A measurable goal for each BMP. Each measurable goal shall have a measure of assessment to determine progress towards achieving the measurable goal.
3. The following Phase I MS4 Permittees shall include as part of the SWMP an Industrial Facility Program: [cities of] Ann Arbor, Flint, Grand Rapids, Sterling Heights, and Warren.

The NPDES MS4 individual permit application allows an applicant the option of submitting a collaborative approach for four of the six minimum control measures and the water quality requirements as part of the SWMP. Collaborative efforts may include several MS4 permittees collaborating to meet all or parts of a minimum control measure or water quality requirement.

The MS4 SWMP is considered approved when an individual NPDES permit is issued to the MS4 permittee with the requirement to implement and enforce the approved MS4 SWMP. The MS4 permittee is required to document progress made implementing the MS4 SWMP as part of the Progress Report requirements in the MS4 NPDES permit.

For MS4 permittees with an approved SWMP or SWPPI, the following are examples of updates that may be eligible if the activity is significantly revised or goes beyond what is currently included in the approved SWMP/SWPPI:

- Public Education Program: Developing and implementing a survey to assess changes in public behavior.
- Illicit Discharge Elimination Program:
 - Developing a storm sewer system map to include the location of all outfalls and points of discharge.
 - Prioritizing dry-weather screening of outfalls and points of discharge by identifying areas of high illicit discharge potential. This prioritization could be completed as a collaborative effort with several MS4 permittees.
- Post-Construction Stormwater Runoff
 - Updating post-construction stormwater runoff performance standards. More specifically, updating an ordinance or regulatory mechanism to include the water quality treatment and channel protection performance standards in the current NPDES MS4 individual permit application.
 - Developing a tracking system for ensuring the long-term maintenance of post-construction BMPs. For example, a system to track the performance of the BMPs implemented to meet the performance standards and included in a maintenance agreement.
- Pollution Prevention and Good Housekeeping Program
 - Developing a site-specific standard operating procedure identifying the structural and non-structural stormwater controls implemented or to be implemented and maintained to prevent or reduce pollutant runoff at facilities owned/operated by the applicant with a high potential for pollutant runoff.
 - Developing a procedure for assessing catch basins for routine inspection, maintenance, and cleaning based on preventing or reducing pollutant runoff.
- TMDL Implementation Plan – Developing a TMDL monitoring plan for assessing the effectiveness of BMPs currently being implemented or to be implemented in making progress toward achieving the TMDL pollutant load reduction requirement.

Nonpoint Source Watershed Management Plan

Applicants eligible to develop a NPS Watershed Management Plan include cities, villages, counties, townships or other public bodies established under state law (watershed alliances, conservation districts, and regional planning agencies for example). Watershed Management Plans under this category must be approvable as defined in the administrative rules for the CMI NPS Pollution Control Grants and/or include the “nine minimum elements of watershed planning” required by the United States Environmental Protection Agency. To maximize potential future funding, plans should meet both state and federal criteria. NPS Watershed Management Plans must be developed for a hydrologically-based area and must include a list of targeted pollutants. Targeted pollutants must include those listed in Michigan’s 2012 Integrated Report as causing designated use impairments in the watershed. The list should also include pollutants important at the local level as well as the rationale for their listing.

For an applicant who is developing a new NPS Watershed Management Plan, the development of the entire plan is eligible for SAW grant funding. Justifiable updates to a previously approved NPS

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

Watershed Management Plan are also eligible. Justifiable updates to a plan include, but are not limited to: updates to meet additional criteria; reevaluation of environmental conditions and next steps; etc.

Complete watershed management plans (along with completed [checklists](#)) can be submitted to the appropriate [district office](#) or the NPS Unit in Lansing. Watershed plan reviews require a minimum of 90 days and approval typically requires two or more reviews.

Applicants developing a NPS Watershed Management Plan for: (1) watersheds with flooding, flashy flows, or other hydrology issues; (2) or recommended stream bank stabilization, channel realignment, changes to channel geometry; (3) or changes impacting flow or sediment transport, must refer to the NPS Hydrologic and Geomorphic Guidance. Applicants must also consider a wetlands component, as described in the Guidance for Wetland Related Elements, when developing a NPS Watershed Management Plan.

SAW Stormwater Management Plan

An applicant that wants to develop a SWMP other than an MS4 or NPS SWMP may receive grant funding to develop a SWMP as long as it contains the following minimum components:

1. A description and map of the jurisdictional boundaries and the area to be covered by the plan (typically a sewershed and/or drainage district). The planning area should be hydrologically based and include the entire collection and conveyance system (open and closed) as well as the contributing area.
2. A description of the major components of the stormwater system and/or country drainage district, including sewershed and watershed boundary and internal sub-boundaries, surface water hydrology, mapping of stormwater conveyance (pipes and channels), existing storage, regulatory or other mapped floodplains, flood control facilities and treatment components.
3. A description of publically owned BMPs and private BMPs that significantly affects the stormwater system.
4. A description of all stormwater sources and all known stormwater related water quality problems within the planning area (for example, surface flooding, hydraulic restriction, erosion, water quality, etc.).
5. Include recommendations and an analysis of projects to correct stormwater and known stormwater related water quality problems.
 - a. This includes project identification, preliminary sizing and description of proposed activities. Proposed activities could consist of capital improvements (i.e. culvert replacement, channel modification, structural BMPs, etc.) or changes to inspection or maintenance activities (i.e. stream bank assessments, detention basin inspections, floodplain or floodway encroachment surveys, etc.).
 - b. Provide estimated operation, maintenance and capital costs for all recommendations
6. Include a timeline for implementation of the plan. The extent of the timeline is at the applicant's discretion (i.e., 5-year, 10-year, etc.).

It is strongly suggested that the following components also be included in the SWMP:

1. A general maintenance plan
2. The desired level of service should be determined through a public involvement process
3. A public education program or activities
4. A general description of land use percentages

GUIDANCE FOR APPENDIX D

Grant Eligible

- A Stormwater Management Plan (SWMP) must address water quality issues caused by surface runoff of stormwater. There must be a stormwater related water quality problem, not just a stormwater quantity issue.
- Pre-project (planning and design) assessment of Best Management Practices (BMPs) to determine the most effective solution.
- Legal and/or force account costs associated with the creation or amendment of stormwater ordinances, policies, and design standards.
- Flow monitoring for a hydrologic analysis of a stormwater conveyance system or surface water system.
- Water quality sampling to determine current water quality conditions.
- Development of a public education and involvement program or activities for stormwater issues.
- Development of a maintenance plan for stormwater practices.
- AMP/GIS mapping software/hardware/training. Total limits are as follows:

Service Area Population	Dollar Limit
Less than or equal to 5,000	\$60,000
5,001 to less than or equal to 20,000	\$85,000
20,001 to less than or equal to 50,000	\$110,000
Greater than 50,000	\$160,000

Note: Attach justification when assistance is sought for an applicant with an existing GIS system or for when an exception is being made to the above dollar limits.

Grant Ineligible

- Costs related to implementation of a MS4 SWMP program
- The purchase price to acquire land/easements
- Post-construction monitoring of stormwater management BMP performance to determine effectiveness.
- Planning and design activities related to the evaluation of groundwater impacted by stormwater infiltration.

APPENDIX E
SAW Innovative Wastewater and Stormwater Technology

Project costs related to the testing and demonstration of innovative wastewater and stormwater technologies are eligible for grant funding. Within three years of the executed grant, the applicant must determine if the project is technically and financially feasible to implement and submit a SAW Innovative Technology Certification of Project Completeness. If the testing and demonstration results of the innovative technology prove to be technically and financially feasible, the applicant must agree to construct the project. Complete the following to aid in determining grant eligibility.

- A. The technology must meet one or more of the following categories to be considered innovative:
- The technology has not been previously used in Michigan or the region, if influenced by climate
 - The technology has not been previously used in the United States, if independent of climate influences
 - The technology is an application of an existing technology applied to a different media (e.g. a water supply treatment technology applied to the wastewater field)
 - The technology is an application of an existing technology applied to a different pollutant (e.g. previously used to address pollutant ‘X’, proposed to address pollutant ‘Y’)

Provide a detailed explanation of how the innovative technology meets one or more of the categories above (attach additional pages, if necessary):

- B. Eligible projects must focus on a specific existing water quality issue that needs to be addressed. Provide a detailed explanation of how the proposed testing and demonstration of an innovative technology meets this requirement (attach additional pages, if necessary):

- C. For eligible technologies identified in A above, attach a detailed pilot study work plan. The work plan should be developed based on the associated guidance included with this application.

GUIDANCE FOR APPENDIX E

Grant Eligible

- Pilot studies demonstrating the effectiveness of wastewater and/or stormwater technologies which do not result in any permanent construction that becomes a tangible asset.
- If testing and demonstration is successful, and reasonable in cost, the applicant must certify a project using the innovative technology will be constructed. If the testing and demonstration is not successful, there is no commitment to proceed with construction.

Grant Ineligible

- Permanent construction of the pilot technology

Application Guidance

The SAW program allows for grants to fund project costs related to the testing and demonstration of innovative wastewater and storm water technologies. Innovative technologies must meet one or more of the four listed criteria:

1. Those technologies influenced by climate and have not been previously used in Michigan or the region may be eligible. For instance, if a technology that is heavily temperature dependent and has been used in warmer climates but not yet in colder climates is proposed for testing and demonstration, it may be eligible for grant funding.
2. Other potentially eligible projects include those that have not been previously used in the United States,
3. An application of an existing technology applied to a different media, or
4. A technology that is applied to address a different type of pollutant than previously used for.

Eligible projects are expected to focus on a specific and existing water quality issue that needs to be addressed. For example, this may include a technology that provides better and/or more efficient treatment performance. The existing water quality issue should be documented with water quality data or other relevant information (this may include the DEQ Water Resources Division's Integrated Report, approved Total Maximum Daily Loads (TMDL) or watershed management plans, local health department records, compliance or enforcement documents, etc.). The explanation should clearly tie together how the innovative technology will address the existing water quality issue which has been identified.

A pilot study work plan is required to be submitted with the application. The pilot study should provide sufficient evaluation of the applicability, operational reliability and effectiveness of the innovative technology. This should be demonstrated with a prototype unit or process of sufficient size and designed to operate at its design load conditions.

To determine that such new processes and equipment or applications have a reasonable and substantial chance of success, the following should be considered when developing a pilot study plan:

- Evaluation and discussion of any related, existing performance data and manufacturer's information.
- A plan for monitoring observations, including test results and evaluations, demonstrating the efficiency and effectiveness of such processes or equipment.
- Detailed description of the test methods and their appropriateness.
- Testing, including appropriate sampling, under various ranges of strength and flow rates (including diurnal and/or seasonal variations) and temperatures over a sufficient length of time to demonstrate performance under climatic and other conditions which may be encountered in the area of the proposed installations.
- Other appropriate information.
- Coordination and approval by DEQ district engineers if there are temporary changes in the operation of a permitted facility or permitted discharge during pilot testing.

It is strongly recommended that applicants team with academic institutions to aid in development and completion of a pilot study.

APPENDIX F
Disadvantaged Community Status Determination Worksheet

In order to determine the disadvantaged status of a community, the Revolving Loan Section will first look to see if:

- 1) More than 50 percent of the area served by a proposed sewage treatment works project or stormwater treatment project is identified as a poverty area by the United States Census Bureau;
- 2) The median annual household income of the area served by a proposed sewage treatment works project or stormwater treatment project is less than the most recently published federal poverty guidelines for a family of 4 in the 48 contiguous United States. In determining the median annual household income of the area served by the proposed sewage treatment works project or stormwater treatment project, the municipality shall utilize the most recently published statistics from the United States Census Bureau, updated to reflect current dollars, for the community which most closely approximates the area being served by the project.

If no determination can be made by either criteria 1 or 2 then the following information will be used:

1. Is the applicant seeking a planning or design grant? YES NO

If YES, provide the total estimated construction amount \$_____.

2. Annual payment on the existing debt for the wastewater or stormwater system (if applicable):

\$_____.

3. Total operation, maintenance and replacement expenses for the wastewater or stormwater system on an annual basis: \$_____.

4. Number of "residential equivalent users" in the system: _____.

If you have any questions about this worksheet, then contact Mr. Robert Schneider at 517-388-6466.

Note: If the total estimated construction amount is provided, the result of this determination is temporary until actual bid costs are submitted.

SAW Application, Item E: Project Need and Proposed Scope of Work

The City of Novi proposes to develop an Asset Management Plan under the new Stormwater, Asset Management and Wastewater (SAW) Program administered by the Michigan Department of Environmental Quality (MDEQ). The focus of this Asset Management Plan will be the City's separated sanitary sewer collection system.

Development of an Asset Management Plan for this facility will allow the City of Novi to move from reactive maintenance to predictive maintenance and minimize the risk of failure of critical components, which would result in not meeting the facility's required level of service. The AMP will also provide evaluation of the short and long-term financial needs to ensure adequate funding is allocated to ensure successful operation of the system as well as the monies being spent on this system are spent in the most cost effective method possible.

SAW Application, Appendix C—Item A: Draft Scope of Work

Introduction:

The focus of this Asset Management Plan will be the City of Novi's Sanitary Sewer System which is tributary to the Walled Lake Novi Treatment Plant. We understand that if the sanitary sewer AMP identifies a gap in the current revenue needs to meet expenses, then significant progress must be made toward achieving the funding structure necessary to operate the system. Significant progress is defined as a 5-year plan to address the gap. The first rate increase, a minimum of 10% of the gap, must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years.

The following scope describes the specific activities included in development of the AMP, which will be funded with the SAW grant assistance unless otherwise specifically noted.

Project Initiation:

The City of Novi will work with the Oakland County Water Resources Commissioner's office (WRC) and an engineering consultant to establish the framework and goals for the AMP specific to their sanitary sewer and storm sewer systems. WRC currently operates and maintains the portion of City's system which outlets to the Walled Lake Novi WWTP, including handling the City's billing. Therefore, close collaboration with their office will be necessary to complete this plan, and plan for future operation and maintenance needs. Meetings and planning sessions will be held to establish the following:

1. Develop organization chart of staff involved and stakeholders.
2. Begin engagement of employees, management, and/or public in the planning and decision making, to develop a culture that includes a shared, common purpose.
3. Schedule meetings with staff and stakeholders.
4. Determine Level Of Service (LOS) expectations and Key Performance Indicators (KPIs).

Costs related to these activities will include consultant costs and force account costs for staff involved with this step of the AMP development. These costs also include the costs to prepare the SAW application. These costs are included in the Project Cost Worksheet under "other". Costs for item number 4, which includes the Level of Service expectations will be included under "Level of Service".

Asset Management Software, Hardware and Training:

The AMP will be developed using the City's existing GIS mapping. The GIS is maintained through the County at this time, and will continue to be maintained by WRC. WRC also uses CityWorks for Work Order processing for

all of the systems that it operates and maintains. The County will continue to use these platforms for operation and maintenance of the City of Novi system.

At this time, no improvements are necessary with regards to software, hardware or training.

Asset Inventory and Data Collection:

In order to proceed with a systematic method of developing the asset inventory for the collection, the following activities will be performed:

1. Compile and review existing data and verify quality and completeness of existing system data to refine scope of work required to achieve goals. The City of Novi’s sanitary sewer system is already populated with much of the data required. However, the system will be updated to include the following information:
 - a. Age?
 - b. Inverts?
 - c. Other information?
2. Determine if record documents are sufficient and refine where additional data collection is required.
3. Create an inventory list of assets within jurisdiction:
 - a. Manholes
 - b. Sanitary Sewer Lines
 - c. Pumping Stations
4. Compile existing hard copy and/or digital record data.
5. Determine information gaps and collect additional data as required.
6. Digitize any hard copy data and merge record formats as required to allow for efficient input into proposed asset inventory system.
7. Input system assets and related asset characteristics.
8. Perform field inventory as required to determine/verify asset data

The inventory will include a review of as-built plans, existing records, and other record documents to determine year installed, size, type of pipe, capacity, etc. The information gathered will be input into the GIS system if it is not already available. Costs related to these activities will include consultant costs and force account costs for staff involved with this step of the AMP development. These costs are included in the Project Cost Worksheet under “Inventory”.

Condition Assessment:

Using the framework established under the “Project Initiation” phase, a planning level assessment of each asset’s condition will be made via field investigations, televising, empirical data, and reasonable industry assumptions. The City of Novi owns approximately 203,385 lft of gravity sanitary sewer in the area tributary to the Walled Lake Novi WWTP. Of this sewer, approximately 117,415 lft was constructed prior to 1993. A very limited portion of the City has been televised, and it is assumed that 100% of the sewer constructed prior to 1993 would be televised at a cost of \$3/lft. The total cost will be approximately \$350,000.00.

It is also anticipated that Novi will perform 1100 manhole and access manhole inspections at a cost of \$110,000.00.

The City of Novi also has 4 sanitary sewer pump stations. These will be inspected and their condition properly assessed. In addition, an assessment of the forcemains constructed prior to 1993 will be completed. The total cost for this task will be \$40,000.00.

The probability of failure of each asset on the system will be rated on a scale of 1-5 (low to high) based on the observed condition, and this data will be entered into the AMP GIS database for risk evaluation. The estimated current (depreciated) value and estimated replacement cost of the asset will also be entered into the AMP database.

Also as part of the condition assessment, the City will institute a public education program with regards to Fats, Oils, and Grease (FOG) in the sanitary sewer system. This will include identification of areas where this is an issue, developing an inspection program for grease traps as applicable, reviewing and updating ordinances and standards, and public education.

Costs related to these engineering activities will include consultant costs and force account costs for staff involved with this step of the AMP development are included in the Project Cost Worksheet under "Condition Assessment".

Assessment of Asset Criticality and Risk:

The "Business Risk Evaluation" combines the probability of failure and criticality of the asset. The criticality of each asset will be rated on a scale of 1-5 (low to high) based on the consequence of failure versus the desired level of service. A Business Risk Factor will be determined for each asset by multiplying the probability of failure rating by the criticality rating. This information will be used to determine replacement needs and prioritize future maintenance and capital improvements.

Costs related to these activities will include consultant costs and force account costs for staff involved with this step of the AMP development. These costs are included in the Project Cost Worksheet under "other".

Investment Prioritization and Future Planning:

Using the results of the Business Risk Evaluation, the short and long-term investment required to achieve the desired level of service will be determined and prioritized using the general approach below:

1. Develop depreciation curves for assets based on inventory information.
2. Determine and prioritize required investment.
3. Develop a five to ten-year Capital Improvement Plan (CIP) to address the high priority projects and prepare planning-level construction cost estimates.
4. Provide recommendations for future/ongoing system operation, maintenance, rehabilitation, repair and replacement needs and cost estimates.
5. Conduct a financial forecast, including OM&R budget and rate sufficiency

Costs related to these activities will include consultant costs and force account costs for staff involved with this step of the AMP development. These costs are included in the Project Cost Worksheet under "other".

Rate Structure:

The City of Novi, WRC and their engineering consultant will then work with the County's financial analyst to evaluate the impact of future liabilities on the rate structure. Consideration will be given to funding major projects with a combination of cash and bond financing under a variety of bond interest and payback scenarios.

Costs related rate structure will include consultant costs and force account costs for staff involved with this step of the AMP development are included in the Project Cost Worksheet under "Rate Structure".

Future Planning:

The AMP produced as a result of this grant funding will be considered a “living document,” that is reviewed and updated on a regular frequency, and is consulted as part of planning for any future investments. It is anticipated that the document will be reviewed once every three to five years for the following items:

1. Additional development of key performance indicators (KPIs) and or system for regularly monitoring and reporting metrics.
2. Update condition assessment and system needs.
3. Update O&M Process and Workflow Diagrams
4. Refine operating budget.
5. Re-evaluate system costs and investment versus funding structures.

SAW Application, Appendix C—Item B: Description of Current Wastewater Asset Management Plan

The existing AMP primarily only includes a general inventory and related maintenance records, where available. The O&M component is primarily based on determining the required frequency of maintenance and replacement, responding to emergency needs with only limited preventive rehabilitation.

Provide the percentage of tasks completed and describe each asset management component of your current asset management plan:

1. Asset Inventory and Condition Assessment – 75%
2. Level of Service – 75%
3. Criticality of Assets – 25%
4. Operation and Maintenance (O&M) Strategies/Revenue Structure – 75%
5. Long-term Funding/Capital Improvement Planning – 25%

SAW Application, Appendix C—Item C: Wastewater Revenue Structure

A copy of the current rate methodology is attached. It is expected that an updated copy of the rate methodology will be submitted 2 ½ years after the executed grant to the DEQ.

The applicant is currently part of a regional system which discharges to the Walled Lake/Novi Wastewater Treatment plant.

SAW Application, Appendix C—Item D: Cross-Sectoring

There is no significant cross-sectoring anticipated for the City's AMP. Asset management of the City's storm sewer system and the City's sanitary system which discharges to the Huron River Sewage Disposal System (HRSDS) will be performed separately. The plans may have some limited coordination elements, but cross-sectoring with other utilities such as roadways and/or water distribution systems is not anticipated.

SAW Application, Appendix C—Item E: Project Cost Worksheet – Wastewater Asset Management Plan

Item	Incurred Costs	Force Account Costs	Estimated Costs	Supporting Documents	Total
Inventory		\$5,000	\$25,000	Y N	\$30,000
Condition assessment (excluding televising)		\$30,000	\$180,000	Y N	\$210,000
Metering/modeling				Y N	
GIS software				Y N	
GIS training					
AM software				Y N	
AM training				Y N	
GIS Hardware				Y N	
AM Hardware					
Televising Rental rate Labor rate		\$20,000	\$330,000	Y N	\$350,000
Level of Service Service agreement development Public meeting cost Ordinance cost		\$5,000	\$10,000	Y N	\$15,000
Training/certification For PACP For MACP				Y N	
Rate Structure		\$5,000	\$45,000	Y N	\$50,000
Other		\$10,000	\$85,000	Y N	\$95,000

SAW Application, Appendix C—Item D: NPDES Permit

The City of Novi sanitary sewer system is not operating under an NPDES permit. The system discharges into WRC’s Walled Lake-Novi Wastewater Treatment Plant.

Application Scope of Work, Engineer’s Cost Estimate Breakdown – Wastewater Asset Management Plan:

Asset Management Plan Activity	Hours	Estimated Cost	Included in Item E Table Heading
Asset Management Project Initiation			
• Project organization, personnel, meetings	200	\$20,000	Other
• Level of Service and Key Performance Indicators	150	\$15,000	Level of Service
Asset Management Software, Hardware & Training			
• Asset Management Hardware	NA	\$0	Asset Management Hardware
• Asset Management Software	NA	\$0	Asset Management Software
• Asset Management Training	NA	\$0	Asset Management Training
Asset Inventory and Data Collection			
• Digitize existing records • Determine inventory needs/scope • Perform field inventory of facility assets within jurisdiction as required to determine/verify asset data • Input assets into AMP software	300	\$30,000	Inventory
Condition Assessment			
• Cleaning and televising of combined sewers and manholes, and rating with PACP/MACP system	To be bid	\$350,000 (Estimated Construction Costs)	Televising
• PACP and MACP training for staff		\$0	PACP/MACP Training
• Manhole Inspections	1100	\$110,000	Condition Assessment (excluding televising)
• Pump Station and Forcemain Inspections	400	\$40,000	
• Engineering Assessment	500	\$50,000	
• FOG Program	100	\$10,000	
Asset Criticality and Risk			
• Assessment of Criticality & Risk Capital planning and operation optimization	750	\$75,000	Other
Rate Structure			
• Life cycle costing • Funding review Financial review and analysis	500	\$50,000	Rate Structure Development Costs
• GRAND TOTAL =		\$750,000	

These estimated costs represent the combined consultant costs and contractor costs, and force account costs for the applicant’s staff participation and work activities. The costs presented in “Item E: Project Cost Worksheet” in Appendix C of the SAW Application, indicate the estimated costs that will be performed by the applicant (“force account”) and the costs to be contracted out to consultants/contractors (“estimated.”) The amount of work to be performed under force account is subject to change based on the applicant’s workload and staffing available at the time proposed grant work is undertaken. Please see attached ledger of current applicant staff rates and employee classifications for force account work. Consultant (estimated costs) are anticipated to be an average of \$100/hour.

RESOLUTION
Novi-Walled Lake Sewer System

WHEREAS, the Oakland County Drain Commission (OCDC) operates the Novi-Walled Lake Treatment Plant for the Cities of Novi and Walled Lake; and

WHEREAS, certain rates must reflect actual costs of providing services;

USAGE FEE

NOW, THEREFORE BE IT RESOLVED that the new rate to the user of this system is established at \$81.34 per unit per quarter for all bills rendered after August 1, 2013.

SEWER INSPECTION FEE

WHEREAS, OCDC operates and maintains the Novi-Walled Lake Treatment Plant, and all sewer infrastructures for effluent to the plant;

NOW, THEREFORE BE IT RESOLVED, the City of Novi will collect the pass-through OCDC sewer inspection fee as determined by the OCDC.

INDUSTRIAL PRETREATMENT PROGRAM (IPP)

WHEREAS, the pass-through IPP surcharges from OCDC are regulated by the Clean Water Act and change every year;

NOW, THEREFORE BE IT RESOLVED, the City of Novi will collect the IPP surcharge as determined by the OCDC.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held the 17th day of June 2013.

By: Maryanne Cornelius
Its: City Clerk

 **WRC**
WATER RESOURCES COMMISSIONER
Jim Nash

June 5, 2013

Mr. Clay Pearson, Manager
City of Novi
45175 West Ten Mile Road
Novi, Michigan 48375-3024

RE: Walled Lake-Novı Sewage Disposal System Rate Review

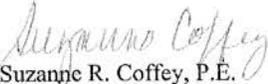
Dear Mr. Pearson:

After reviewing the financial statements from the Walled Lake-Novı Sewage Disposal System at the close of fiscal year 2012, it has been determined the rate will increase \$4.11 per unit for the 2013/2014 rate year. Please be advised that the quarterly rate for the Walled Lake-Novı Sewage Disposal System will increase from \$66.62 per unit to \$70.73 per unit, beginning August 1, 2013. The last rate increase in this system occurred five years ago, in 2008. *

The Industrial Pretreatment Program (IPP) charge for sewer customers in the City of Novi will remain at \$15.02 per unit quarterly for non-domestic sewer customers.

If you have any questions regarding this matter, please contact me at 248-858-0937.

Sincerely,


Suzanne R. Coffey, P.E.
Manager

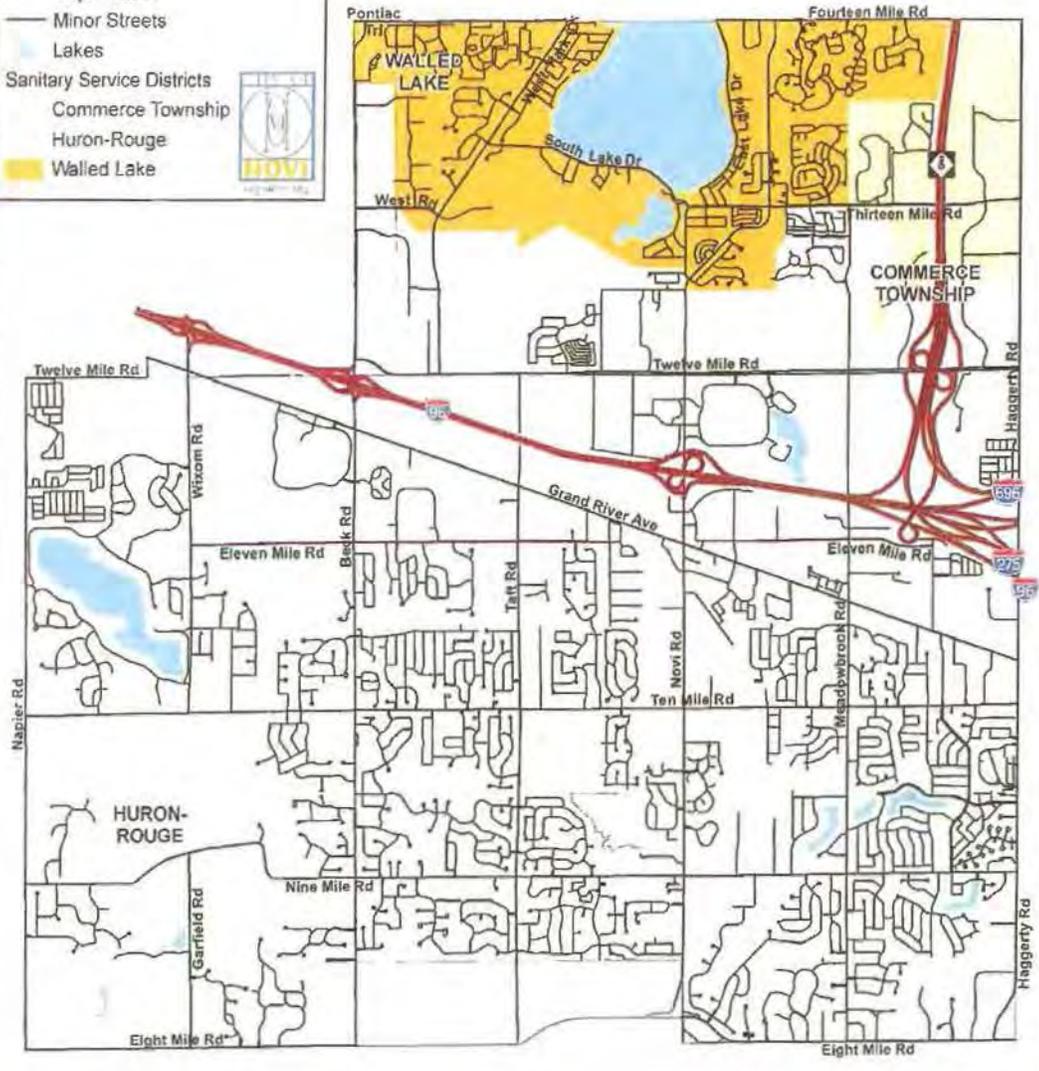
6/6/13
Norman
Bob D
Michael A
Masonel
IRS
FM



City of Novi Sanitary System Service Districts

City of Novi, Michigan

- Legend**
- Major Roads
 - Minor Streets
 - Lakes
 - Sanitary Service Districts
 - Commerce Township
 - Huron-Rouge
 - Walled Lake



CITY OF NOVI

11000 WOODLAND AVENUE
NOVI, MI 48240

313.487.2000

www.novimi.gov

Walled Lake-Novu WWTP FY2014

Rate Summary

May 3, 2013

Quarterly per unit Rate

Fiscal Year	Calculated Rate						Total	Adj.	Approved Rate	YoY % Change
	O&M	Interest	Maintenance	Capital	Emergency	Reserves				
2008	58.75	-	-	-	-	-	58.75	-	58.75	2.6%
2009	66.62	-	-	-	-	-	66.62	-	66.62	13.4%
2010	66.62	-	-	-	-	-	66.62	-	66.62	0.0%
2011	52.80	(1.20)	2.14	8.78	4.88	-	67.39	(0.77)	66.62	0.0%
2012	49.34	(1.65)	1.93	8.78	4.88	-	63.28	3.34	66.62	0.0%
2013	49.33	(1.88)	1.91	17.26	-	-	66.62	-	66.62	0.0%
2014	\$50.42	\$(1.84)	\$ -	\$ 22.13	\$ -	\$ -	\$70.71	\$ -	\$ 70.71	6.1%

Stormwater, Asset Management and Wastewater (SAW)



Department of Public Services
Water and Sewer Division

SAW

Overview

- January 2, 2013 – House Act 562 Passed
- Allowed \$450 million of Proposal 2 Bond (Great Lakes Water Quality Bond) to be used for SAW program
- \$97 million available FY 2014 (grants and loans)
- Grant/Loan funding available to Cities, Villages, Townships, and County agencies.

SAW Program Goals

Overview

- Accelerate the statewide use of asset management planning practices
- Improve water quality
- Understand the true costs of maintaining infrastructure/Focus on generating revenues for infrastructure at the local level

Grant and Loan Program

Overview

Grant

- Planning and Design of wastewater and stormwater projects
- Development of stormwater management plans
- Development of wastewater and stormwater asset management plans
- Testing and Demonstration of Innovative Technology

Loan (City is not seeking)

- Construction of projects identified in approved stormwater management plan
- Construction of projects identified in approvable asset management plan
- Testing and demonstration/construction of projects of proven Innovative Technology

Grant Amounts

Overview

- \$2 million cap
- 90% grant/10% local match for 1st million, 75% grant/25% local match for 2nd million

Planning/Design Grant Application

Rouge Valley SDS

Summary of Backups For All Incidents			
Backups within Study Area	23		32.4%
Backups outside of Study Area	48		67.6%
Total	71		100.0%

Summary of Backups For Incidents Relating to Sewer Blockages (Roots, Grease, Other Blockages)			
Backups within Study Area	23		50.0%
Backups outside of Study Area	23		50.0%
Total	46		100.0%

Sewer Backup Incidents Since 2009

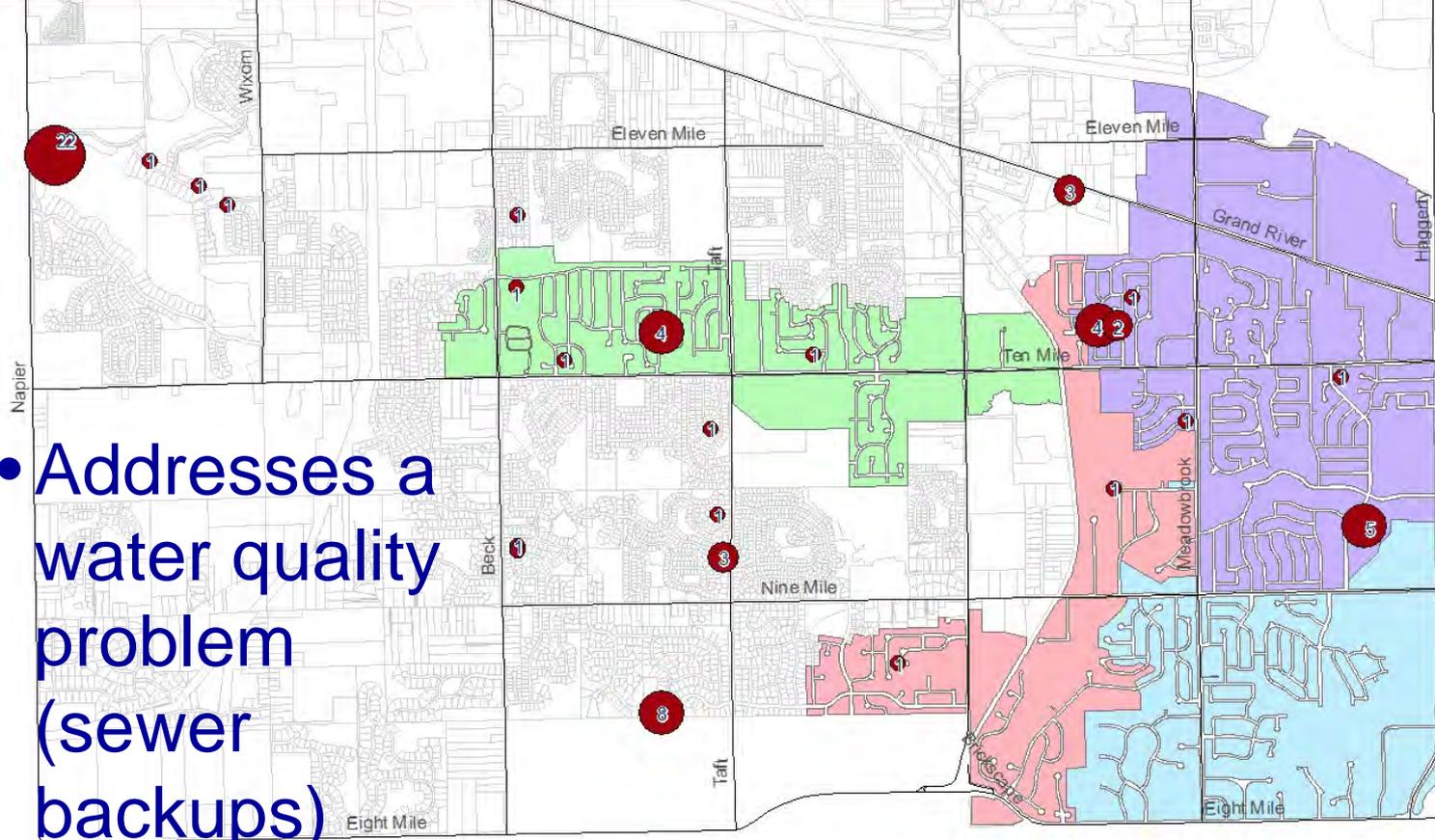
Legend

Proposed Study Area

- Interceptor South
- Simmons
- Turtle Creek
- Willowbrook

Number of Backups

- 1
- 2 - 3
- 4 - 9
- 10 - 22



• Addresses a water quality problem (sewer backups)

Planning/Design Grant Application

Rouge Valley SDS

- Continued inspection of collection system will help reduce backups



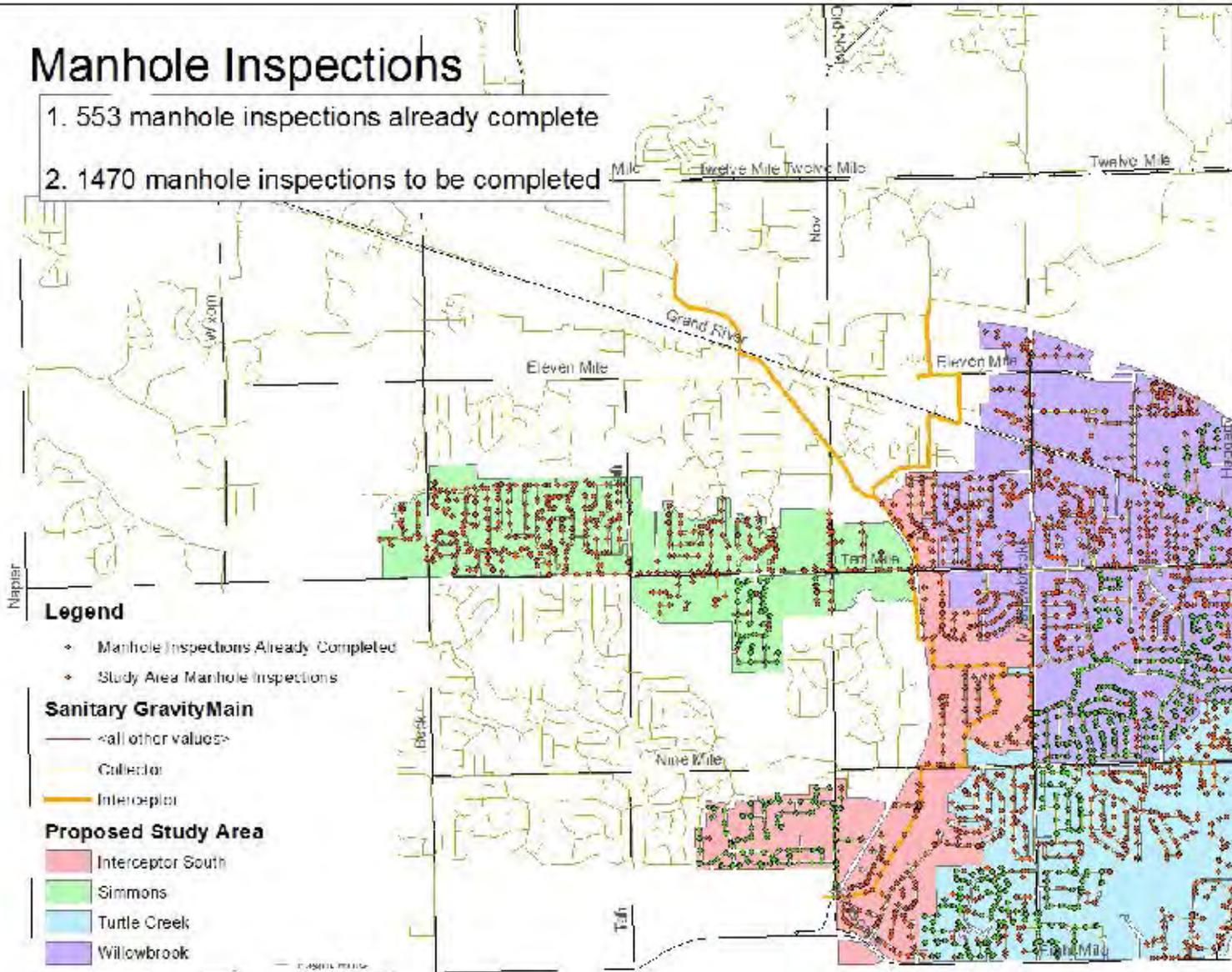
Planning/Design Grant Application

Rouge Valley SDS

Manhole Inspections

1. 553 manhole inspections already complete
2. 1470 manhole inspections to be completed

Proposed Scope
of Work for SAW
Grant Application



0 1,250 2,500 3,750 5,000 Feet

1 inch = 2,500 feet

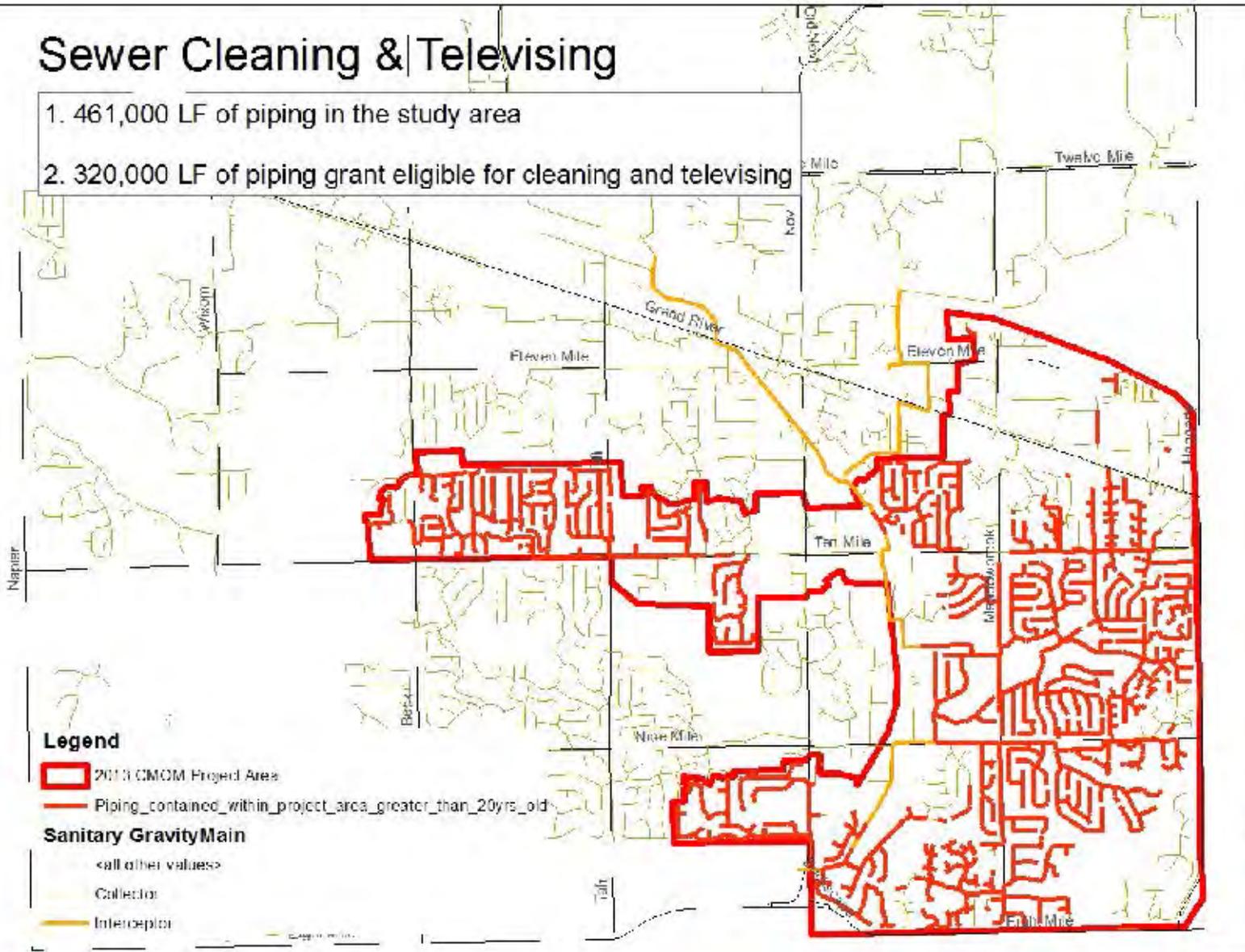
Planning/Design Grant Application

Rouge Valley SDS

Sewer Cleaning & Televising

1. 461,000 LF of piping in the study area
2. 320,000 LF of piping grant eligible for cleaning and televising

Proposed Scope
of Work for SAW
Grant Application



Asset Management Grant Application

Walled Lake – Novi SDS



Asset Management Grant Application

Walled Lake – Novi SDS

- Asset Inventory (and condition assessment)
 - Cleaning and televising sewers
 - Manhole inspection
 - GPS survey of structures
 - Creation of a GIS system
- Level of Service
 - Customer expectations
 - NPDES requirements
- Critical Assets
 - Condition and consequence of failure
 - Collective prioritization (water, roads, sewer)
- O&M Strategies
 - O&M costs
- Capital Improvement Planning
 - Capital projects
 - Rate Analysis

Estimated Grant Costs

For Rouge Valley & Walled Lake – Novi SDS

- Rouge Valley Project Cost \$988,000
- Walled Lake – Novi Project Cost \$750,000
- Total Cost \$1,738,000

- Grant Match Share \$1,453,500
- Local Share \$284,500

Grant Funding

Disclosure of Conditions Requiring Repayment of Grant

- **Planning and Design Grants**
 - Proceed with a construction project for which grant funding is provided within 3 years of grant award
- **Asset Management Grants**
 - Significant progress towards meeting rate structure necessary to implement the plan
 - A rate increase equal to 10% of the gap in three years of grant execution
 - 5 – year plan to eliminate the remaining gap

Applications

Schedule

- Accepted on or after December 2, 2013
- No prior review, but MDEQ will answer questions
- Due to program popularity all complete applications received on December 2 will be entered into pool with lottery selection of awardees
- First round of grants available April 2014
- FY 2014 funding may be allocated by December 2013 with a backlog for future years

Grant Funding Applications

City Action Required

- Council to pass resolution authorizing SAW grant agreement
- DPS to Submit Application to MDEQ by December 2, 2013

Questions?

