

**BUSINESS ITEM 2012-193:
DIRECTION TO HOLD A PUBLIC
MEETING ON A PROPOSED
INFILTRATION AND INFLOW (I&I)
GRANT PROGRAM DESIGN**

Environment Committee, June 12, 2012



Bonding Bill Language

- \$4 million appropriated to Council
- Grants for capital improvements to reduce I&I into municipal wastewater collection systems
- City must be on MCES excessive I&I list
- Grant funding up to 50% of project cost
- Timetable for project construction required
- Pursuant to guidelines established by Council

Key State Requirements

- Non-public benefit must be 5% or less (facility must be owned by City)
- Must extend useful life or substantially increase value of fixed asset
- Cannot be operating or overhead expense
- M.S.16A.695 restricts sale, lease and management contracts:
 - Includes MMB Commissioner's Order

Key Council Guidelines (2010, updated)

- Cities are eligible if on an excessive I&I list
- Qualified spending between 7/1/12 and 6/30/14
- Only construction costs qualify
- Disbursement(s) paid on quarterly reimbursement basis
- Each city will receive:
 - Part 1: Lesser of \$50,000 or half of eligible expenses submitted, plus
 - Part 2: an allocation proportional to communities' remaining qualified expenses after Part 1

Key Council Guidelines, *continued*

- Cities will have one-time option to either:
 - Withdraw from grant program
 - Revise grant request to lesser amount
- Funds from withdrawn costs will be re-allocated proportionally (i.e. Part 2 redone)
- Grant money un-awarded when program ends
- Cities cannot change projects once grant agreement is signed

Eligible I&I Work

- Municipal pipeline rehabilitation and repair
 - 50% eligible = lining; 100% = replacement, joint sealing
- Municipal maintenance structures
 - 50% eligible = lining, replacement; 100% eligible = sealing (joints, castings, covers, chimney seals)
- Flood mitigation
 - 10% eligible = surface drainage improvements (surface grading, ditch cleaning, storm system and culvert improvements)
- Cross connection elimination
 - 100% eligible = storm/sanitary cross connects, catch basins and area drains

Non-Eligible I&I Work

- Studies, investigations or inspections
- Any improvements to privately owned infrastructure
- Any part of service line serving individual parcel

Qualifying Cities (47)

Arden Hills	Greenwood	Minnetonka	Shoreview
Bayport	Hopkins	Minnetonka Beach	South St. Paul
Bloomington	Lakeville	Mound	St. Anthony
Chanhassen	Lauderville	New Brighton	St. Bonifacius
Chaska	Lilydale	New Hope	St. Louis Park
Columbia Heights	Long Lake	Newport	St. Paul
Eagan	Maple Plain	Oakdale	Stillwater
Eden Prairie	Maplewood	Orono	Tonka Bay
Edina	Medicine Lake	Osseo	Vadnais Heights
Excelsior	Medina	Plymouth	Waconia
Farmington	Mendota	Roseville	West St. Paul
Golden Valley	Minneapolis	Savage	

Allocation Example

City	Qualified Expenses Proposed*	Part 1 Allocation	Part 2 Allocation	Total Award	%
A	1,200,000	50,000	361,000	411,000	34.2
B	80,000	40,000	0	40,000	50.0
C	10,000,000	50,000	3,246,000	3,296,000	33.0
D	720,000	50,000	203,000	253,000	35.2
TOTAL	12,000,000	190,000	3,810,000	4,000,000	33.3

- Part 1 = Lesser of \$50K or 50% of qualified expenses proposed
- Part 2 = Proportional to communities' remaining qualified expenses after Part 1

**Includes only the I&I mitigation part(s) of project*

Tentative Program Calendar

- June 12 Env. Comm direction to hold public meeting
- July 10 Public meeting
- July 24 Environment Committee recommendation
- Aug 15 Council approval of guidelines
- Sept 1 Final program guidelines sent to cities
- Nov 15 Grant proposals due from cities
- Dec 1 Cities notified of initial grant allocation
- Dec 15 Deadline for cities' withdrawal opportunity
- Jan 1, '13 Grant agreements distributed; cities notified of final grant allocations

Questions

